

DAILY REPORT

China

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PRC'S UN DISARMAMENT PLAN: U.S., USSR MUST TALK

OW051235 Beijing in Russian to the USSR 1800 GMT 2 Nov 84

[Text] Dear Soviet radio listeners: Recently the Chinese representative in the First Committee of the UN General Assembly submitted a draft resolution on preventing the arms race in space and urging all countries, especially those possessing vast space power, to take timely and effective measures to restrain the space arms race. This is the first disarmament draft resolution proposed by China at the United Nations. In today's "From the International Life" section we shall ask our commentator (Hung Bo) to tell you about the significance of the Chinese initiative.

[Begin (Hung Bo) recording] The intense and fierce nuclear arms race on land, at sea, and in space between the United States and the Soviet Union for the purpose of achieving world hegemony, has long since placed world peace under serious threat. As the nuclear arsenals of the two superpowers grow, the globe is becoming all the smaller for their competition. This is the reason why the arms race is spreading more and more into space.

During the past 20 years and more the United States and the Soviet Union have launched into space some 3,000 satellites, the majority used for military purposes. They have also intensively developed antisatellite and antimissile systems. Unless this arms race is stopped, peaceful cosmic space may become the fourth area of combat, after the land, the sea, and the skies.

In this connection, China in its draft resolution expresses its very serious concern over the intensive research and development of space weapons systems by the United States and the Soviet Union, and believes that they both must make special pledges for stopping the arms race in space.

The current nuclear weapons stockpiles of the United States and the Soviet Union exceed 95 percent of the total nuclear arsenals in the world. Their nuclear arsenals are already threatening the security of all humanity. Yet, they are ready to deploy their nuclear arms in space. This cannot but arouse alarm and concern among the people of all countries.

Wu Xueqian, Chinese foreign affairs minister, at the opening of the current UN General Assembly session came out with a proposal which says that the urgent task at the present time is to demand that the two nuclear powers stop the nuclear arms race, cease the deployment of new intermediate-range missiles, resume disarmament talks, reduce and destroy intermediate-range missiles fitted with nuclear warheads already deployed in Europe, Asia, and other regions of the world.

China has now submitted a draft resolution calling for the use of space for peaceful purposes and prevent it from becoming an arena for the nuclear arms race. The draft resolution also suggests ways for the early conclusion of agreements on prohibiting research, testing, development, production, deployment, and use of all types of space weapons and on the complete destruction of existing space weapons systems. The above-mentioned proposals made by China fully meet the aspirations of all the people in the world. This is true. The people of this planet are concerned most of all with prevention of a nuclear war and reduction of nuclear armaments. However, no progress has been made in these most important fields because the United States and the Soviet Union have no intention of slowing down the pace of their nuclear arms race. Presently the United States is implementing Reagan's star wars plan while the Soviet Union continues to perfect and develop its first-strike nuclear capability.

The people of the world demand real and effective disarmament. For this reason, the United States and the Soviet Union in particular must undertake pledges to this end. China possesses an insignificant amount of nuclear arms, which are exclusively for the purpose of defense. China, a nuclear state, does not intend to give up its pledge of nuclear disarmament. We invariably stand for nuclear disarmament, and for all-round banning and complete destruction of all types of nuclear arms.

The draft resolution submitted by the Chinese representative at the UN General Assembly session shows that China is fulfilling its pledge in all earnestness. [end recording]

PRC ENVOY TO UN DISCUSSES ECONOMIC AID TO AFRICA

OW060215 Beijing XINHUA in English 0157 GMT 6 Nov 84

[Text] United Nations, November 5 (XINHUA) -- Xie Qimei, Chinese permanent deputy representative to the United Nations, said today at the General Assembly that it was more important to promptly take effective and practical actions in dealing with the current critical economic situation in Africa. He hoped that the General Assembly will make decisions on this issue without delay.

Discussing the agenda item on the critical economic situation in Africa at the 39th Session of the General Assembly, Xie Qimei stated that "at present, there is an urgent need for food and financial aids, increase in aid and interest-free or low-interest loans so as to alleviate the situation in food and water supply, primary health care, energy supply and transportation services, all of which are vital to normal life. While taking emergency actions, we must not neglect the need to give strong support to medium and long-term economic development of Africa."

He stressed that "special efforts should be made to help the African countries overcome external unfavorable factors and create an international environment favorable to the development of their economics." He pointed out that the aid programs at the international level should be both coordinated and somewhat flexible, and it should be based on development plans at the regional and particularly national levels. In solving the respective actual problems of African countries, Xie said, certain policy-adjustments are often unavoidable if difficulties are to be effectively overcome for the development of the economy. But, it is eventually up to African countries themselves to decide their policies.

"It will not be consistent with the norms governing international relations, but counter-productive if the domestic policy adjustments of the African countries are over-emphasized or they are indiscriminately asked to adopt certain policy reforms regardless of their economic, political and social consequences, or the aid to them is even made conditional on such reforms," he added. He said the African countries have made tremendous endeavors to change the present economic situation by relying on their own efforts. However, "the difficulties faced by the African countries, given their seriousness and magnitude, can hardly be overcome through the efforts of Africa alone. They urgently call for an all-out support of the international community," he added.

He went on to say the Chinese people and the African people have a common destiny and same sentiments.

Although China is a low income country with an under-developed economy, it has always tried its best, despite its difficulties, to assist and support African countries. "In view of Africa's current situation, China has increased this year its bilateral aid to some African countries and provided them with new emergency food donations. China will continue to make its contributions within its capabilities," he said.

WEST'S BUMPER GRAIN HARVEST ADDS TO COMPETITION

HK020919 Beijing GUANGMING RIBAO in Chinese 30 Oct 84 p 4

["International Observation" column by Xu Binghe: "What Does the Bumper Grain Harvest in Europe and America Foretell?"]

[Text] According to the analysis of grain specialists in the West, France is expected to reap a record-breaking grain harvest of 44.39 million tons. Great Britain is expected to reap 24 million tons, while the grain output of Western Europe will exceed 130 million tons. The United States will also reap a bumper harvest this year, and the output of its three major crops of maize, wheat and beans will also increase. What does the bumper grain harvest in Europe and the United States fortell?

First, the United States and the EEC are the biggest exporters of agricultural produce in the world. According to material of the U.S. Department of Agriculture, it is likely that wheat exports of the EEC will increase 5 to 10 million tons on the basis of the 16 million tons of wheat and flour exported in 1984 (up to 31 July.) Therefore, EEC grain exports will increase as a result of the bumper harvest in the area, which in turn will intensify the contradiction between Western European countries and the United States in their contention over the world grain market.

Second, the prices of grains in the world market are expressed in dollars, and the strong dollar has caused a drop in the EEC export allowance. According to a WALL STREET JOURNAL article, "the developing trend of the dollar will play an important role. If the dollar keeps growing stronger to the level of FR9.7 against the dollar, the EEC will entirely abolish its allowance for grain exports." This will lighten the financial burden of the EEC and the planters will increase their revenues from grain exports.

And third, it is difficult for the United States to increase its grain exports by a large margin, and the crisis of overproduction in grain will be aggravated. In the seventies, the United States was the only place where various countries could buy their grain. Now, there has been an increase in the number of grain-exporting countries; apart from Argentina, Australia, and Canada, there are also such European countries as France, Great Britain, and Sweden. The increase in international debt has forced many developing countries to cut down on purchases. Besides, the continuing rise in the value of the dollar has made U.S. grain exports less competitive. Therefore, the U.S. attempt to increase its grain export this year or to change the situation of the gradual decline in the U.S. proportion of the world wheat trade seems to have met with more and more difficulties. The U.S. Department of Agriculture has estimated that U.S. exports of agricultural produce will be slightly higher than the 1983 level, and the favorable balance of trade will be \$20 billion. However, according to THE CHRISTIAN SCIENCE MONITOR, the U.S. "farm owners are not overjoyed by this. More and more they are beginning to realize that the export income will not recover to the high levels of the seventies, and the export prosperity seems to have gone forever." Under the circumstances of a bumper grain harvest, but many difficulties in export, the crisis of overproduction of grains in the United States is being aggravated. The income of many farm owners will drop, and the number of bankruptcies because of failure to repay debts will increase. According to REUTERS, there were 60,000 farms and pastures in Nebraska, about 5 percent of them closed down in 1983. Today 42 percent of the farm owners have failed to repay government loans on time, while the percentage was 24 in 1983. According to Marvin Duncan, a U.S. economist, the number of bankruptcies of U.S. farm owners seems to be higher than that of 1983.

XINHUA ROUNDUP ON U.S. PRESIDENTIAL ELECTION

OW051058 Beijing XINHUA in English 0908 GMT 5 Nov 84

["Roundup: Final Battle of U.S. Presidential Election (by Shu Lujia)" -- XINHUA headline]

[Text] Washington, November 1 (XINHUA) -- The U.S. "political marathon race" is nearing the end with the presidential election to be held on November 6.

The Democratic Party is contesting for the presidency this year under the condition that the U.S. economy has been recovering. The outcomes of post-war presidential elections showed that it was much easier for the incumbents to get elected as long as the economic situation was kept excellent.

In order to reverse this unfavorable situation, the Democratic Party, taking advantage of having more voters than its contender the Republican Party, has tried its utmost to mobilize as many people as they can to vote on the election day. Since the Democratic Party's convention in mid-July, Mondale-Ferraro campaign groups have mobilized three million to four million voters who usually do not participate in elections to register and plan to increase the number by another five million to six million in the next couple of days. Meanwhile, the Republican Party has turned its attention to winning over the nine million young voters at the age of 18 and quite a number of hesitant voters [words indistinct] party who are dissatisfied with Mondale's policy. Public opinion polls showed that the majority of young eligible voters intended to support Reagan and 20 percent of Democratic voters would possibly cast their votes for Reagan.

It is estimated that 95 million voters, 55 percent of 170 million eligible voters in the country, will go to the polls this year. The voting rate in 1980 was at 52.6 percent. The polls indicated that Reagan has a lead of 20 percent over Mondale in the current final phase. Almost all the industrial states in the south and west will fall into the hands of Reagan. Even the states in the north-east and mid-west, traditional spheres of influence of the Democrats, the balance of forces has turned to the direction favorable to Reagan. The Democrats could only possibly win in few states such as Minnesota, New York and Massachusetts. The District of Columbia with only three electoral votes is regarded as the only place that the Democrats could win.

Republican analyses of the campaign predicted that Reagan has a great hope to win a landslide victory in the coming election which will undoubtedly influence the congressional elections. However, Reagan, who has been cautious during the campaign, has once and again asked his fellow Republicans not to lower their guard. At the same time, Mondale, who is facing a grim situation, appealed to the electorate to give him firm support at this critical moment. At present, the Democrats, who have basically given up their contention in the south, have focused their efforts on some big states in the north-east and west as well as the most populous state of California in a hope to win more votes.

Voting Begins in U.S.

LDO61005 Beijing XINHUA in English 0853 GMT 6 Nov 84

[Text] Washington, November 6 (XINHUA) -- Americans go to the polls today to vote in the nation's 50th presidential election for either incumbent Republican Ronald Reagan or Democratic challenger Walter Mondale as president of the United States for a four-year term.

Residents in tiny Dixville Notch in the northeastern state of New Hampshire cast their ballots at 0500 GMT today, the earliest opening of election booths anywhere in the United States. Most voting opens on the U.S. east coast at 1100 GMT today.

Voters will also elect 33 members of the 100-member Senate, all 435 members of the House of Representatives, 13 of the nation's 50 governors and a multitude of candidates for other local offices.

The U.S. Census Bureau estimated that almost 174 million Americans 18 years of age or older are eligible to vote. The figure is 10 million greater than in 1980, when 86.5 million people voted in the presidential election.

President Reagan is heading for a victory, according to most latest opinion polls. However, a new survey by U.S. pollster Louis Harris showed a last-minute surge for Mondale.

Reagan and Mondale, as the candidates of the nation's major political parties, are the ~~main~~ly contenders given any chance of winning. But other presidential candidates represent minor parties, such as the Communist Party, the Libertarians, the Independent Alliance Party and the Socialist Workers Party.

Americans do not elect their president directly. Instead, with the votes they cast, they elect a group of electors, who in turn actually elect the president. The presidential and vice presidential candidates must each receive at least 270 of 538 electoral votes to win.

Mondale, who has chosen Geraldine Ferraro, the first woman vice-presidential candidate in American history, as his running mate, announced his candidacy for office 21 months ago on February 21, 1983, and won the Democratic nomination 18 months later national convention last July in San Francisco.

Reagan, who announced his candidacy in the summer of 1983, followed the same route but faced virtually no opposition for the nomination with George Bush as vice presidential candidate at his party's convention last August in Dallas [words indistinct] have exchanged heated debates on domestic and international issues during their campaigns.

INTERNATIONAL LAW SYMPOSIUM CONVENES IN SHANGHAI

Chen Muhua, Mayor Open Session

OWO51723 Beijing XINHUA in English 1456 GMT 5 Nov 84

[Text] Shanghai, November 5 (XINHUA) -- An international investment symposium opened here today. In addition to discussing investment legislation, participants will also be studying the possibility of investing in industrial, urban construction and other schemes in Shanghai, China's leading industrial and business center.

Addressing today's opening session were Shanghai Mayor Wang Daohan and Chinese State Councillor Chen Muhua. Another speaker was Cyrus Vance, former U.S. secretary of state who had come as a private citizen concerned with the broadening of American-Chinese relations.

Participants applauded the announcement of the signing of a contract on the establishment of a Sino-American joint venture in radio industry, the Shanghai-Corning Engineering Corporation. There are 110 American business executives, bankers and lawyers and 170 Chinese delegates including 110 local delegates. Present in today's gathering was also Bi Jilong, deputy U.N. secretary general.

Cyrus Vance Speaks

OW051701 Beijing XINHUA in English 1631 GMT 5 Nov 84

[Text] Shanghai, November 5 (XINHUA) -- China's current actions to restructure its economy and its effort to improve investment conditions "have helped clarify business relationships and have given potential American investors a greater confidence in stability and continuity needed for doing business in China," Cyrus Vance, former U.S. secretary of state, said today. He was addressing the opening session of the Shanghai Investment Law Symposium.

Against this background, he said, Americans have to date invested some 85 million U.S. dollars in joint equity ventures and several times that amount in other forms of investment. Many other American companies are interested in exploring new investment in China, Vance added. Vance hoped that this conference would stimulate further concrete action along these lines.

PETROCHEMICAL TEAM LEAVES FOR CANADA, U.S.

OW051214 Beijing XINHUA in English 1159 GMT 5 Nov 84

[Text] Beijing, November 5 (XINHUA) -- An eight-member Chinese delegation led by Chen Jinhua, general manager of the China Petrochemical Corporation, left here today for a visit to Canada and the United States. They will visit the two countries at the invitation of Christopher H. Phillips, president of the National Council for U.S.-China Trade, and the Canadian Imperial Bank of Commerce.

The delegation will explore the possibilities for further cooperation in the petrochemical industry with Canadian and American firms. They will also seek advanced technology and new products useful in retooling China's petrochemical industry and learn from their managerial experiences.

KANG KEQING MEETS AMBASSADOR FOUNDATION GROUP

OW051655 Beijing XINHUA in English 1643 GMT 5 Nov 84

[Text] Beijing, November 5 (XINHUA) -- Kang Keqing, vice-chairman of the National Committee of the Chinese People's Political Consultative Conference, met here this evening with a delegation from the U.S. Ambassador Foundation led by its president, Herbert Armstrong.

The meeting was followed by a dinner given by the Soong Ching Ling Foundation and the Chinese People's Association for Friendship With Foreign Countries. Kang Keqing, also chairman of the Soong Ching Ling Foundation, presided over the dinner.

Both Kang Keqing, and Armstrong proposed toasts to the constant growth of friendly contacts between the two peoples. Present on the occasion were Zhou Erfu, vice-president of the Chinese People's Association for Friendship With Foreign Countries, and Vice-Chairman of the Soong Ching Ling Foundation Rong Gaotang, Gao Dengbang and Wu Quanheng. The delegation arrived here today.

CHERNENKO SAYS USSR TO COUNTER AGGRESSION

OW051914 Beijing XINHUA in English 1903 GMT 5 Nov 84

["Soviet Union Not To Tolerate U.S. Military Superiority" -- XINHUA headline]

[Text] Moscow, November 5 (XINHUA) -- Soviet leader Konstantin Chernenko reaffirmed today that the Soviet Union will not allow the United States and its allies to have military superiority and will strike a due counter blow to any aggressive attempt.

He said this when he was meeting with representatives of the youth organizations from some countries who are here making preparations for the Youth Festival.

Chernenko said it is not the policy of the Soviet Union to increase its armament and provoke confrontation or conflict. He said, "The imperialist reactionaries headed by the U.S. must be held responsible if the development of the world situation causes anxiety."

HEILONGJIANG DELEGATION VISITS MARITIME KRAY

OW051335 Beijing in Russian to the USSR 1800 GMT 4 Nov 84

[Text] At the invitation of the Maritime Kray, Khabarovsk Kray, and Amur Oblast branches of the Soviet-Chinese Friendship Society, a five-man delegation of the Heilongjiang branch of the Chinese-Soviet Friendship Association led by Chen Jianfei on 3 November went by rail through the Suifenhe border control point to the Maritime Kray to attend the celebrations in connection with the Great October anniversary.

The delegation will take the message of greetings of the Heilongjiang branch of the Chinese-Soviet Friendship Association to the Maritime Kray, Khabarovsk Kray, and Amur Oblast branches of the Soviet-Chinese Friendship Society. The letter says: We are convinced that with the constant development of relations between China and the Soviet Union and of the friendship between the peoples of the two countries, the friendly contacts between our province and the far eastern region of the Soviet Union as well as the exchanges and cooperation in the fields of trade, science, technology, culture, education, and [word indistinct] will continue to develop without fail.

WANG RENZHONG MEETS KOREAN FORESTRY DELEGATION

OW060725 Beijing XINHUA in English 0709 GMT 6 Nov 84

[Text] Beijing, November 6 (XINHUA) -- Wang Renzhong, vice-chairman of the Standing Committee of the National People's Congress, met with a delegation from the Democratic People's Republic of Korea led by Kwon Yong-mu, vice-minister of forestry, here this morning. The Koreans arrived here on October 16 at the invitation of the Chinese Ministry of Forestry. They had toured Shanghai and Beilongjiang Province where they studied timber processing and forestry. D.P.R.K. Ambassador to China Xin In-ha was present on the occasion.

NODONG SINMUN WELCOMES NORTH-SOUTH CONTACTS

OW051055 Beijing XINHUA in English 0856 GMT 5 Nov 84

[Text] Pyongyang, November 5 (XINHUA) -- The upcoming economic talks and Red Cross Society contacts between the Northern and Southern parts of Korea represent a welcome and positive development for the improvement of North-South relations, a NODONG SINMUN article said here today.

The Northern part hopes these contacts will widen North-South cooperation and exchanges, restore their interrupted national ties and eventually promote national reunification, the article continued. It noted that relations between the two parts will improve and develop as long as both sides cast aside their differences for the common good of the nation. The article urged the South to alter its hostile attitude the North [as received] and to embark upon the road of promoting national harmony and unity with concrete deeds.

KIM IL-SONG COMMENTS ON KOREAN QUESTION 29 OCT

SK310048 Beijing International Service in Korean 1100 GMT 30 Oct 84

[Text] Comrade Kim Il-song, general secretary of the Central Committee of the Workers Party of Korea and president of state, said yesterday in Pyongyang that the CPC, after settling the rural questions excellently at the 3d Plenary Session of the 11th CPC Central Committee, held a central plenary meeting this time to settle the urban questions. He wished China great success in building Chinese-oriented socialism. President Kim Il-song made these remarks when meeting three Chinese delegations, including a friendship delegation of China.

President Kim Il-song said that China has achieved stability and unity and won great successes in socialist construction since the 3d Plenary Session of the 11th CPC Central Committee. He said that he was very pleased with that.

Touching on the question of the Korea's reunification, President Kim Il-song said that what is important before anything else is to mitigate tensions on the Korean peninsula. He said that two issues have been presented in settling the question -- the first is the international issue between Korea and the United States, and the second is the internal issue of the Korean nation.

President Kim Il-song said that tripartite talks should be held first to create the conditions to mitigate tension on the Korean peninsula and to achieve the peaceful reunification of the fatherland.

JAPANESE INDUSTRIALISTS VISIT, DISCUSS TIES

Meet Zhao Ziyang, Gu Mu

OW051329 Beijing XINHUA in English 1307 GMT 5 Nov 84

[Text] Beijing, November 5 (XINHUA) -- Premier Zhao Ziyang and State Councillor Gu Mu met on separate occasions here today with a group of more than 50 Japanese industrialists and bankers led by Shoichiro Kobayashi, president of the Kansai Electric Power Co., Inc.

On behalf of the Chinese Government, Zhao Ziyang welcomed the visitors who had come to discuss launching Sino-Japanese joint ventures and technical cooperation. "What you are doing here is opening up new channels and forms of cooperation between our two countries to create a new situation for such cooperation. I am very glad about this and wish you success," Zhao Ziyang told the Japanese visitors. Kobayashi assured Zhao that his colleagues would do their best to boost the Japan-China economic cooperation.

In his 40-minute meeting with the visitors, Gu Mu outlined the Chinese Government's policy of opening to the outside world.

Talk With Wang Zhen

OW032348 Beijing XINHUA in English 1447 GMT 3 Nov 84

[Text] Beijing, November 3 (XINHUA) -- Wang Zhen, honorary president of the China-Japan Friendship Association, met a Japanese delegation for economic relations and trade with China led by Shoichiro Kobayashi, president of the Kansai Electric Power Co., Inc., here this afternoon.

The 47-member delegation is composed of heads of big enterprises as well as of managers of small and medium-sized ones.

Kobayashi told Wang that China's development had a direct impact on Japan's development. He wished success to the Chinese people's cause and prosperity to both countries.

Wang Zhen said that the two countries should strengthen cooperation on the basis of mutual benefit.

Meeting With Li Peng

OW021527 Beijing XINHUA in English 1440 GMT 2 Nov 84

[Text] Beijing, November 2 (XINHUA) -- Vice-Premier Li Peng met here this evening a Japanese delegation for economic relations and trade with China led by Shoichiro Kobayashi, president of the Kansai Electric Power Co., Inc.

The delegation is composed of representatives from 34 Japanese firms which all have business connections with China. Wang Yaoting, chairman of the China Council for the Promotion of International Trade, was present. After the meeting, Wang hosted a reception for the Japanese delegation. Li Peng attended.

The delegation, sent by the Japan-China Economic Relations and Trade Center, arrived earlier today at the invitation of the China Council.

WANG ZHEN MEETS, FETES JAPANESE INDUSTRIALIST

OW051331 Beijing XINHUA in English 1310 GMT 5 Nov 84

[Text] Beijing, November 5 (XINHUA) -- Wang Zhen, honorary president of the China-Japan Friendship Association, met Kozaboko Hashimoto, president of the Japanese Rinoru Oil Mills Co., Ltd and his party here this evening. After the meeting, Wang Zhen gave a dinner in their honor. Present were Ismail Amat, chairman of the People's Government of the Xinjiang Uygur Autonomous Region, and Qi Guangcai, general manager of the China National Native Produce and Animal By-Products Import and Export Corporation. The Japanese came to China on October 30 to discuss a deal in Xinjiang safflower seeds.

WANG ZHEN MEETS JAPANESE VISITORS 6 NOV

OW060724 Beijing XINHUA in English 0707 GMT 6 Nov 84

[Text] Beijing, November 6 (XINHUA) -- Wang Zhen, honorary president of the China-Japan Friendship Association, met here this morning with Tomio Narasaki, former deputy secretary-general of the Japan-China Friendship Association, and his wife. The Japanese couple have come here on a friendly visit to China as guests of the China-Japan Friendship Association.

JAPAN'S ABE OUTLINES COUNTRY'S FOREIGN POLICY

OW020825 Beijing XINHUA in English 0758 GMT 2 Nov 84

[Text] Tokyo, November 1 (XINHUA) -- Japan's relationship with the United States will remain unchanged and its dialogues with countries of different social systems will be broadened, Japanese Foreign Minister Shintaro Abe said today.

The KYODO news agency quoted Abe as saying that the Japanese Government will follow the basic principles of the country's past foreign policy. Abe said this after he was reappointed as foreign minister of the new Nakasone Cabinet. He predicted that economic and trade frictions between Japan and the U.S. might reappear after U.S. presidential elections. He noted however that these frictions are unlikely to worsen the overall Japanese-U.S. relations.

On Japan's ties with the Soviet Union, Abe said that Japan will actively have dialogues with the Soviet Union in search of a breakthrough in their relations. From his recent meetings with Soviet Foreign Minister Andrey Gromyko and the visiting Soviet party Politburo member D.A. Kunayev, he said, he believes it is hopeful for an improved Japanese-Soviet relations, and there remains the possibility of a visit to Japan by Gromyko although it will not be an imminent one.

Abe said that Japan, as an Asian country, has an important role to play in promoting the regional cooperation in Asia. It is also important for Japan to broaden its dialogues with countries of different systems, he added. In particular, Japan will show more concern over the problems in Africa and he will visit that continent this year if conditions permit, he said. He pledged that Japan will continue its active diplomatic efforts for an end to the Iran-Iraq war and the achievement of peace between the two belligerent countries.

YANG BO, BURMESE PRESIDENT VISIT SHENZHEN

OW051922 Beijing XINHUA in English 1857 GMT 5 Nov 84

[Text] Shenzhen, November 5 (XINHUA) -- Burmese President U San Yu, Mme. San Yu and their party this afternoon visited Shenzhen, a special economic zone in Guangdong Province. In the company of Yang Bo, Chinese minister of light industry, the Burmese guests inspected the Shekou industrial area, a Sino-foreign joint venture (furniture corporation) and a feed factory. The Burmese president and his party arrived here from Guangzhou earlier in the day.

The Shenzhen City People's Government gave a banquet for the Burmese visitors soon after their arrival. Liang Xiang, deputy governor of Guangdong Province and mayor of Shenzhen, and President U San Yu spoke at the banquet.

SHENZHEN, NANJING, HONG KONG START JOINT VENTURE

OW040438 Nanjing Jiangsu Provincial Service in Madarin 2300 GMT 1 Nov 84

[Text] A grand reception was held on 1 November in the hall for distinguished guests on the 50th floor of the (Huarun) Building in Hong Kong to mark the inauguration of the Hong Kong Shennan Trading Company Ltd. (Zhen Xipei), vice mayor of Shenzhen City, and (Xu Yinrui), vice mayor of Nanjing City, presided over the ribbon-cutting ceremony. More than 500 distinguished guests attended the reception. Among them were Xu Jiatun, director of the Hong Kong branch of the XINHUA NEWS AGENCY, and his wife; Chen Bojian and (Liu Zhao), deputy director and deputy secretary-general respectively of the Hong Kong branch of the XINHUA NEWS AGENCY; Jiang Wengui, director of the Hong Kong and Macao Administrative Office of the Bank of China; (Chang Jianhua), general manager of the (Huarun) Financial Group; and (Zhou Ji), general manager of the China Merchants Steamship Navigation Company.

[Xu Ke], chairman of the board of directors and general manager of the new company, addressed the reception. He said: The Hong Kong Shennan Trading Company Ltd is a cooperative joint venture with investment from Shenzhen, Nanjing, and Hong Kong. It will contribute to the modernization program of the motherland and to the prosperity of Hong Kong's economy. He further pointed out: With the solicitude of the government, the close cooperation from Shenzhen and Nanjing, and the consistent concern and support given by friends from all circles in Hong Kong and Macao, the company will no doubt thrive and fulfill its great business plan.

JIANGSU, HONG KONG LAUNCH JOINT CULTURAL VENTURE

OW060443 Nanjing Jiangsu Provincial Service in Mandarin 2300 GMT 5 Nov 84

[Text] The Nanjing Books and Scientific-Educational-Cultural Service Center and the Hong Kong (Kang Deng) Industrial Company, Ltd., signed an agreement on the evening of 5 November in Nanjing on running a joint venture. The name of the joint enterprise is "Nanjing Books and Scientific-Educational-Cultural Center of China."

The purpose of this enterprise is to contribute to the scientific, educational, and cultural development in the Jiangsu area by providing the latest scientific, educational, and cultural facilities and information to units inside China with good service quality and methods, as well as sufficient variety of supplies.

BAN YUE TAN ON HONG KONG'S ROLE IN WORLD TRADE

HK010237 Beijing BAN YUE TAN in Chinese No 19, 10 Oct 84 pp 11-13

[Article by Zu Tiange: "Hong Kong Today"]

[Text] The Hong Kong that people are talking about today consists of the island of Hong Kong, Kowloon, the "New Territories," and the more than 200 islets in the surrounding seas, with a total land area of more than 1,000 square km and a population of 5.36 million. Hong Kong is one of the most densely populated areas in the world, with an average of more than 5,000 people per square km. Because most of the population is concentrated in the urban area that covers about one-tenth of the total area, in places in which the population is densest, the average population is 160,000 to 170,000 per square km.

Hong Kong is an important center of trade, banking, and communications both in the Asian and Pacific region and in the world. The volume of its imports and exports and its entrepot trade exceeds that of many countries with large territories and an abundance of natural resources, ranking 18th in the world. As a trade center, its lines of communication stretch to more than 160 countries and regions of the world, with a total trade volume of 336.1 billion Hong Kong dollars (more than \$49 billion) in 1983. In 1946, just after World War II, its volume of trade, both imports and exports, was less than 2 billion Hong Kong dollars. Ninety-six percent of Hong Kong-made products are exported, which has demonstrated the role of trade in Hong Kong's economy.

The United States has been the main market for Hong Kong's exports since 1959, and it received 42 percent of Hong Kong's exports, according to statistics at the end of 1983. Next highest exports after the United States, are to the United Kingdom, and the FRG. At present, mainland China ranks fourth, with a proportion of only 6 percent. A few years ago, the products exported from Hong Kong were mainly garments and textile products, followed by plastic products and toys. In recent years, the electronics industry has been rising and developing rapidly. Take electronic watches for instance. In the short span of 5 years, Hong Kong has become the leading electronic watch producing area in the world. However, Hong Kong does not manufacture the watches but imports the parts for assembly. Today, the volume of electronic watches exported ranks first in the total exports of Hong Kong, taking the place of garments.

Because Hong Kong is short of natural resources, it has to rely heavily on imports of the means of subsistence and means of production. Therefore, its imports are mostly raw material, fuel, semi-processed products, and foodstuffs, in addition to a small amount of consumer goods. In the past, its imports were chiefly from Japan, but over the past few years, mainland China has exceeded Japan in this respect, followed by the United States and Singapore.

Entrepot trade has all along occupied an important place in Hong Kong's trade. In the fifties, Hong Kong had a weak industrial base, and more than 80 percent of its imports were sold to other markets. The ports, docks, warehouses, communication, ship repairing and maintenance services as well as banking, insurance, and telecommunication facilities built in Hong Kong have all been for the service of entrepot trade.

Despite the fact that the proportion of entrepot trade has fallen with the increase in the exports of local industrial products in recent years, it has still made considerable progress. Apart from mainland China, it is primarily Japan followed by Singapore, Indonesia and South Korea, who are making use of this entropot trade market. Some Western countries have also made use of Hong Kong as market of entropot trade to promote the sales of their products. This has gradually turned Hong Kong into a bridge for trade between the Asian and Pacific regions and Europe, as well as the United States.

In terms of the number of foreign banking organizations set up in Hong Kong, it is second only to London and New York, ranking third in the world. Hong Kong banks, both foreign and local, number more than 150, with more than 1,500 branches. With a population of over 5 million, there is an average of one bank for every 3,000 people. Therefore, Hong Kong has become one of the most famous banking centers in the world. It owes this to its advantageous geographical position and to the shrewd management of its people.

The daily transactions on the Hong Kong stock market amount to several hundred million Hong Kong dollars, a sum large enough to rival that of the biggest stock markets in the West. At the same time, because of its geographical position, when the stock markets in London, New York and Zurich close, Hong Kong is doing business, which enables the city to become an important link in the round-the-clock business of the world's stock and gold markets.

At a center of world trade and banking, Hong Kong's communication and telecommunication facilities rank first in the Far East. Here, round-the-clock long-distance telephone and telex services are provided, connecting all major cities in the world. More than 1,000 take-offs and landings take place here every week, with passenger and cargo airplanes shuttling between Hong Kong and 68 major cities in the world. Every 10 minutes on average, a plane will take off or land, and the daily volume of passengers is 20,000. The daily volume of cargo conveyed is 800 tons. One quarter of the imports and exports of Hong Kong are transported by air. Facing the sea, with the mountains behind it, Kai Tak Airport is the busiest airport in the Far East.

The 2,000 inhabitants of the island of Hong Kong made a living chiefly by fishing and piloting boats when it was first ceded to the British Empire in 1841. Therefore, navigation can be said to be one of the traditional trades of Hong Kong. At present, there are 200 Chinese and foreign shipping companies in Hong Kong, among them such famous shipping tycoons as Y.K. Pao. In 1981, 10,667 vessels arrived in and left Hong Kong. Hong Kong is one of the seven largest ports in the world today.

With the continuous improvement of the harbor facilities and services, today, the turn-around time for an ordinary vessel in Hong Kong averages 2.6 days. This is the fastest loading and unloading rate in the Far East. Since the introduction of container ships, they have been developed rapidly in Hong Kong. Today Hong Kong is ranked third in the world in containerized docks, next to New York and Rotterdam.

Hong Kong is a cement jungle with its numerous skyscrapers, and its network of roads busy with traffic. Here, a square inch of land may be valued at \$1,000. For the ordinary people, the rent can be very expensive. Despite the fact that every year the British authorities in Hong Kong allot funds to build "public housing" (residential buildings for the inhabitants), only 40 percent of its people had been allotted flats in such buildings by 1980, while more than one million people had to find lodgings in old buildings, old-fashioned wood houses, and all kinds of simple and crude shacks. Here, gamblers with stakes of thousands of dollars can be found alongside very small businesses run by hard work. On this small piece of land, there exist great differences and sharp contrasts.

YAO YILIN RETURNS FROM NEW DELHI 5 NOV

OW051538 Beijing XINHUA in English 1500 GMT 5 Nov 84

[Text] Beijing, November 5 (XINHUA) -- Yao Yilin, special envoy of the Government of the People's Republic of China and vice-premier, returned to Beijing this evening after attending the funeral of Mrs Indira Gandhi in New Delhi. Vice-Foreign Minister Yao Guang was also back on board the same plane. Greeting them at the airport were State Councillor and Foreign Minister Wu Xueqian and Indian Ambassador to China A.P. Venkateswaran.

NEPALESE PRINCE ON RELATIONS WITH PRC, INDIA

OW051244 Beijing XINHUA in English 1218 GMT 5 Nov 84

[Text] Katmandu, November 5 (XINHUA) -- Nepalese Prime Minister Lokendra Bahadur Chand said here yesterday evening that he had held useful talks with new Indian Prime Minister Rajiv Gandhi on matters of mutual interest, according to THE RISING NEPAL today. In a press statement issued upon his return from New Delhi after attending the funeral of the late Indian Prime Minister Indira Gandhi, Chand said Rajiv Gandhi had assured him that India is resolved to maintain friendly relations with Nepal, its northern neighbor. Chand also said both he and Chinese Vice-Premier Yao Yilin expressed satisfaction over the excellent relations between Nepal and China when they met in New Delhi Sunday afternoon. Chand added that while in New Delhi, he exchanged views with the king of Bhutan and the presidents of Bangladesh, Pakistan and Sri Lanka on the situation in South East Asia and matters of mutual interest.

AFGHAN GUERRILLAS FORCE RETREAT FROM PANJSHER

OW051930 Beijing XINHUA in English 1844 GMT 5 Nov 84

["Soviet-Karmal Troops Retreat From Strategic Valley" -- XINHUA headline]

[Text] Islamabad, November 5 (XINHUA) -- Afghan Muslim guerrillas recently forced Soviet-Karmal troops to retreat from the upper part of the strategic Panjsher Valley, according to Afghan sources. Led by best-known insurgent leader Ahmed Shah Masud, the guerrillas launched since mid-October a series of attacks on Soviet-Karmal troops stationed in the valley, which controls vital supply routes between Kabul and the Soviet Union, killing 50 of them while the rest were forced to flee towards Rukha, a major town down the valley. The Muslim fighters chasing them last encircled the town on October 28. After fierce fighting all the Soviet-Karmal troops surrendered. The Afghan guerrillas launched an attack on Herat airport on the night of October 24, destroying two fighters and a tank. Two days later they ambushed a mobile military unit near Herat City. Seven tanks were destroyed. In Qandahar Province, the Muslim fighters destroyed two tanks and three armored cars and captured a quantity of weapons besides killing 23 Soviet-Karmal troops during three operations conducted near the border town of Spin Buldak and in the two areas of Panjwai and Sarpoza, both near Qandahar City between October 25 and 27. In Vardak Province, west of Kabul, the Islamic fighters waylaid a Soviet-Karmal contingent in Gabat area on the night of October 4. Three military vehicles loaded with ammunition were blasted by mines while a tank was destroyed by rocket fires. The next day one Soviet plane bombing the area was brought down.

ZHANG AIPING PRAISES SINO-FRENCH SPACE PROTOCOL

OW061040 Beijing XINHUA in English 1033 GMT 6 Nov 84

[Text] Beijing, November 6 (XINHUA) -- A protocol on cooperation in space technology was signed here this morning by the Chinese Academy of Space Technology under the Ministry of Astronautics Industry and the Matra Corporation of France.

Zhang Aiping, state councillor and defense minister, voiced support to this protocol at a meeting this afternoon with Jean L. Lagardere, chairman of the French corporation, and his party.

He praised this cooperation as a new development in the Sino-French relations of friendly cooperation and a good beginning of space technology cooperation between the two countries.

He urged the two sides to increase contacts and make their cooperation more fruitful.

Lagardere said his company was very much keen about space technology cooperation with China. "We set store by a good start and mutual trust. We would like to enter into long-term cooperation with China," he added. The Frenchmen arrived here yesterday.

UK NUCLEAR DISARMAMENT GROUP VISITING BEIJING

Li Yimang on Talks

HK060252 Beijing CHINA DAILY in English 6 Nov 84 p 1

[By staff reporter Jing Jun]

[Text] China is stepping up efforts to resume contact with international peace organizations despite its differing views on some issues. The country hopes to hold bilateral and multilateral talks with peace organizations on nuclear disarmament, Li Yimang, a senior official of the Chinese Communist Party, told Mrs Joan Ruddock at a reception on Saturday evening.

Ruddock is chairperson of Britain's largest peace organization, the Campaign for Nuclear Disarmament (CND), and she is now making a 15-day China tour with four other members.

Li, a member of the Central Advisory Committee of the Chinese Communist Party and chairman of the Chinese Association for International Understanding, told Ruddock that China hopes to join hands again with world peace organizations to oppose the acceleration of the arms race between the United States and the Soviet Union.

In an interview with CHINA DAILY during the reception, Ruddock said that she appreciates China's declaration that it will never use nuclear weapons first and never use nuclear weapons against non-nuclear states or regions. She admitted that on the issue of unilateral nuclear disarmament, which the CND advocates, she has "discovered differences through talks with the Chinese side."

According to Li, only when the United States and the Soviet Union take the lead in drastically cutting their nuclear weaponry will it be possible to ensure genuine nuclear disarmament. The military expenditures of the two superpowers surpass the national income of China and are six times the total gross national product of the 31 least developed countries with a total population of 300 million. The superpowers have about 600,000 warheads, 95 percent of the world's total, Li said.

"The limited number of nuclear weapons that China maintains at present are solely aimed at resisting nuclear blackmail by the superpowers," Li said.

Discussing the same issue not long ago, Li had described China's stand more vividly by saying: "In our hearts, we don't want to spend a single cent on nuclear weapons because they can neither be eaten nor worn."

According to another senior official of the association, China's efforts to intensify co-operation with international peace organizations are intended to ensure a peaceful international environment that will enable China to realize modernization.

China's contacts with international peace organizations began soon after the People's Republic was established. In 1952, Soong Ching Ling and Guo Moruo, as well as other noted peace activists sponsored the Asia-Pacific Regional Peace Conference in Beijing. Delegates from 37 countries attended. But for a variety of reasons, China's ties with international peace movements were interrupted for several years.

Beijing Reception

OW031452 Beijing XINHUA in English 1435 GMT 3 Nov 84

[Text] Beijing, November 3 (XINHUA) -- Li Yimang, president of the Association for International Understanding of China, gave a reception for a delegation from the British Campaign for Nuclear Disarmament (CND) here tonight. The delegation is led by Mrs. Joan Ruddock, chairman of the CND. The delegation arrived here November 1 on a visit at the invitation of the Association for International Understanding of China.

This afternoon, the delegation gave a public lecture on the organizational structure and position of the CND. Established in February 1958, the CND is the biggest peace organization so far in Britain. It has a membership of 400,000.

PLA NAVY DELEGATION ARRIVES IN BRITAIN

OW060220 Beijing XINHUA in English 0206 GMT 6 Nov 84

[Text] London, November 5, 1984 (XINHUA) -- Liu Huaqing commander of the Navy of the Chinese People's Liberation Army, arrived here this morning for an 11-day visit. He was met at London's Heathrow Airport by Admiral Sir John Fieldhouse, Britain's chief of the Navy Staff and first sea lord, and Cheng Zhaoyuan, Chinese ambassador to Britain.

Later today, Liu had friendly talks with his host Fieldhouse and called on Minister of State for the Armed Forces John Stanley and other British officials. He also attended a dinner held in his honor at Admiralty Board. Liu and his party are to start tomorrow their tour of British naval bases and armaments factories.

UK'S LLOYDS BANK SETS UP OFFICE IN SHENZHEN

OW051717 Beijing XINHUA in English 1501 GMT 5 Nov 84

[Text] Shenzhen, November 5 (XINHUA) -- The British Lloyds Bank International Ltd. -- one of the world's ten largest banks -- has set up a representative office in Shenzhen Special Economic Zone, Guangdong Province.

Bank Chairman Sir Lindsay Alexander presided over the inauguration ceremony for the office today.

An international consortium headed by Lloyds has extended loans totalling 64 million U.S. dollars for the Zhuhai, another special economic zone in the province, construction of a deepwater berth and a shopping center.

XINHUA INTERVIEWS SPAIN'S MORAN ON LI'S VISIT

OW060801 Beijing XINHUA Domestic Service in Chinese 1610 GMT 3 Nov 84

[By XINHUA reporter Wang Chunrong and Beijing international radio reporter Song Xinghe]

[Text] Beijing, 2 Nov (XINHUA) -- In an interview with Chinese reporters here today, Fernando Moran, Spanish minister of foreign affairs, said that President Li Xiannian's forthcoming state visit to Spain is a "visit of historic significance," which will be conducive to the development of cooperation between China and Spain.

On the prospects of development of Sino-Spanish relations, Moran said: "There exists neither a dispute nor a conflict of interests between China and Spain," but only "factors binding the two countries together." He said: First, both countries are "pursuing world peace and stability and seek a new and just international economic order." Second, both countries hold that the world situation characterized by polarization of the two superpowers and the establishment of their hegemony should not continue forever, and that greater independence should be sought for countries in the world. Third, despite differences in culture and geographical location, the peoples of the two countries have maintained friendly relations, which have further developed since Spain restored democracy.

Regarding bilateral relations between the two countries, the Spanish foreign minister believed that there are great possibilities for development in the economic field and for technological cooperation.

Discussing the international situation and Spain's foreign policy, he pointed out: The current world situation is not very encouraging. We hope that the two superpowers will resume dialogues and seek reconciliation to stop the arms race. We believe detente is necessary. However, in order to relax tension, the West must, at the same time, possess a powerful capability to counterattack as well as be a deterrent force.

Moran reiterated Spain's determination to contribute to the defense and stability of Europe. He said: "The Spanish Government does not take a neutral stand, but maintains that each country should independently make its own decision."

He stressed, in particular, that Spain wants to maintain stable relations with northern African countries." We hope that relations between the countries on the north and south sides of the Mediterranean Sea will be characterized by unity. The Mediterranean region should not become a source of military tension."

In conclusion, Moran said: Spain "supports the proposal by the countries of the Contadora Group for maintaining peace in Central America." He also emphatically pointed out: "The problems and tense situation in Central America can be solved only when the various social and economic factors in that region are taken into consideration. They cannot be solved by proceeding either from the viewpoint of East-West confrontation or from the viewpoint of the superpowers."

OFFICIAL VIEWS PROSPECTS FOR TRADE WITH ITALY

HX060304 Beijing CHINA DAILY in English 6 Nov 84 p 1

[By staff reporter Zhu Ling]

[Text] Italy has become China's major trading partner in Western Europe with business between the two countries increasing by 15 percent in the first eight months of this year. The co-operation is expected to improve even further following the announcement that the Chinese Government hopes to attract from Italy some \$900 million in grants, soft loans and export credits.

The goal aimed at boosting China's modernization drive was revealed to CHINA DAILY yesterday by the Ministry of Foreign Economic Relations and Trade. Peng Dafu, a deputy division chief of the ministry's Foreign Investment Administration, said economic co-operation between the two countries is expanding fast. He said the Italian Government has helped by adopting flexible policies. Italy is now first in Western Europe in providing China with easy access to foreign funds.

The goal is part of the second Sino-Italian Three Year Technical, Financial and Economic Co-operation Programme signed between the two governments a year ago.

A Chinese Foreign Trade Ministry delegation is flying to Rome early next month to discuss the package. Funds will be used to buy Italian equipment and technology to update 30 major projects involving the production of automobiles, tractors and animal feed, and the construction of railways, coal mines and ports in southwest China.

Economic co-operation between China and Italy has been mutually beneficial, Peng said. It has increased bilateral trade and invigorated the home economies of both countries. An official of the ministry's Third Regional Department said that in the first eight months of this year China's exports to Italy totalled \$213 million, 17 percent more than in the same period last year. Its imports totalled \$173 million, 12.8 percent more. China exports to Italy mostly textiles, native produce and animal by-products, while its imports cover chemical and steel products, machinery and vehicles. The official said Chinese enterprises are generally unfamiliar with Italian technology and this hinders imports. "We are now providing opportunities for Chinese enterprises to learn about Italian technology," she said.

This month, China is holding three multi-national exhibitions in Beijing, and some Italian firms will take part to display packing, printing and leather-processing equipment. This may increase imports, she said. But she hopes that Italian machinery will become more competitive in price to earn a bigger share of the Chinese market.

According to Zhang Zhishun, a division chief of the ministry's Foreign Investment Administration, China is seeking to establish more joint venture companies with Italy. He said China is interested in Italian technology on the production of porcelain sanitation equipment, wood processing, textiles and building materials. There are now three Sino-Italian joint venture companies in southern China, producing artificial leather and leather shoes.

China signed the first Sino-Italian Three Year Technical, Financial and Economic Co-operation Programme in July 1982. "So far, only a small amount of the funds have been used and contracts have been carried out slowly," Peng Dafu said.

I. 6 Nov 84

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PRC INTERNATIONAL AFFAIRS
WESTERN EUROPE

ITALIAN PARLIAMENTARY LEADER COMMENTS ON PRC VISIT

OW031827 Beijing XINHUA in English 1511 GMT 3 Nov 84

[Text] Beijing, November 3 (XINHUA) -- Giorgio La Malfa, president of the Foreign Affairs Committee of the Chamber of Deputies of Italy, said that the reform decided at the latest plenum of the Chinese Communist Party Central Committee was very inspiring. He said this in an interview with XINHUA before leaving here for home today at the end of a visit to China.

He said that the principles of the session's decision were very favorable to cooperation between China and other countries, especially to economic cooperation between China and Italy. "Through our visit," he said, "we have come to see clearly that where there is economic reform there will be positive changes".

"We think that Italy and China should further expand their exchanges in politics, culture, science and technology and strengthen economic cooperation," he continued. "We will return to Italy with a very positive view. The prospect of Sino-Italian economic cooperation is bright."

Malfa said that he found in his talks with the Chinese leaders that they shared identical views on many issues. They agreed that frequent exchange of views was important for strengthening political ties between China and Western Europe

Further Comment

OW060729 Beijing XINHUA in English 0651 GMT 6 Nov 84

[Text] Rome, November 5 (XINHUA) -- President of the Foreign Committee of the Italian Chamber of Deputies Giorgio La Malfa said here today that Italy and China should develop not only their political and cultural relations but also their economic cooperation.

He said this upon his return from a visit to China. He noted that the two sides should do more to promote their economic cooperation.

Referring to the current international political issues, he said the two countries shared very similar views on further strengthening their political relations, on the importance of having consultations between Western Europe and China, and particularly, on the issues of world peace and security.

He also said China's economy is striding towards a period of rapid changes and there is great potentiality in China's economic development.

ESTABLISHMENT OF RELATIONS WITH UAE VIEWED

RENMIN RIBAO Lauds Ties

HK050144 Beijing RENMIN RIBAO in Chinese 2 Nov 84 p 1

[Editorial: "Warm Congratulations on the Establishment of Diplomatic Relations Between China and the United Arab Emirates"]

[Text] Through friendly consultations, our government and the Government of UAE have decided to establish diplomatic relations at the ambassadorial level effect 1 November. The establishment of diplomatic relations between China and the UAE entirely conforms with the common interests and aspirations of the peoples of the two countries. This indicates that the friendship between the Chinese people and the peoples in the Persian Gulf area has been developing profoundly. The Chinese people express their warm congratulations on this.

The UAE is located at the eastern part of the Arabian peninsula and the southern part of the Persian Gulf. Historically it was subjected to colonial rule for a long time. In 1971 it proclaimed independence. Since then, with the increase in oil revenues, the UAE has greatly promoted its economic construction. In international affairs, the UAE Government has pursued a neutral and nonaligned policy. It has supported the just struggle of the Palestinian people and opposed the aggressive and expansionist acts of Israel. It has advocated that the Persian Gulf countries strengthen their unity, iron out their differences, and solve their disputes through peaceful means and consultations. It has opposed interference in the internal affairs of the Persian Gulf area by foreign forces. The just stand of the UAE has been highly praised by the Third World countries and their peoples.

China and the UAE have established diplomatic relations on the basis of the Five Principles of Peaceful Coexistence. We believe that due to the joint efforts exerted by our two governments and peoples, the friendship and cooperation between our two countries will be constantly consolidated and strengthened.

UAE Envoy on Ties

OW040910 Beijing XINHUA in English 0850 GMT 4 Nov 84

[By Tang Jizan]

[Text] Kuwait, November 3 (XINHUA) -- The establishment of diplomatic relations between the United Arab Emirates (UAE) and China is a good step to improve and develop relations between the countries of the Gulf Cooperation Council (GCC) and the People's Republic of China, the UAE ambassador to Kuwait told XINHUA here today.

Ambassador Sultan 'Ali an-Nu'aymi said this following the publication of a communique on the establishment of diplomatic ties between the UAE and China. He said: I sincerely congratulate the UAE and China on their establishment of diplomatic relations at the ambassadorial level. This action represents a good step to improve relations between the GCC countries and China as a great country. At the same time, it is also a good step to establish trade ties and economic cooperation between them." He added: "The UAE and China have had contact for a long time. The new step will open up broad prospects for a fruitful cooperation between the two countries.

He said: "In marking this occasion, we shall never forget China's correct stand in support of the Arab and Palestinian cause.

"The stand taken by China has raised its standing and other international forums has raised its standing and prestige as a friendly country of ours which supports the cause for freedom and peace in the world."

He underlined the concerted foreign policy of the GCC states and said the fact that Kuwait, Oman and the UAE have established diplomatic ties with China is bound to have a positive effect on other countries. He held that the other GCC nations will establish diplomatic and economic relations with China in the near future. The ambassador hoped UAE and Chinese embassies will be established in each other's capitals as soon as possible to further the development of friendly relations and cooperation between the two states.

UAE Paper Supports Relations

OW030324 Beijing XINHUA in English 0226 GMT 3 Nov 84

[Text] Kuwait, November 2 (XINHUA) -- The decision made by the Government of the United Arab Emirates to establish diplomatic relations with China is in line with the UAE's policy on non-alignment and its rejection of international polarization in the Gulf region, said a UAE newspaper today. The paper, AL KAHILIJ, stressed that the UAE foreign policy is based on keeping a balanced relation with the big powers so as to help avoid polarization in the region. The paper expressed the hope that the decision will be a prelude to "continuing relations" with other countries in order to forge a complete equilibrium of the UAE international ties.

Saudi Prince Praises Ties

OW031252 Beijing XINHUA in English 0655 GMT 3 Nov 84

[Text] Cairo, November 2 (XINHUA) -- Saudi Prince Talal ibn 'Abd al-'Aziz today described the establishment of diplomatic relations between the United Arab Emirates and China as a good sign of developing Sino-Arab relations. In an interview with XINHUA here tonight, the prince said, "we can not ignore the 1,000 million Chinese people."

The prince is scheduled to visit China in the middle of this month in his capacity as head of the Arab Gulf Development Program and a special envoy of the United Nations Children's Fund. He expressed the hope that his visit will develop the relations between China and the Arab world. Asked about the prospects of the relations between China and Saudi Arabia, the prince said, "that can be discussed later on at high levels between Beijing and Riyadh."

The prince is in Cairo to attend the meeting of the International Conference on Pediatrics to be held from November 3 to 6.

GHANAIAN DELEGATION VISITS, MEETS LEADERS

Wu Xueqian Hails Relations

OW021849 Beijing XINHUA in English 1835 GMT 2 Nov 84

[Text] Beijing, November 2 (XINHUA) -- Chinese Foreign Minister Wu Xueqian said here today that the friendly relations between China and Ghana, based on the Five Principles of Peaceful Coexistence, had stood the test of time. Wu, who is also a state councillor, made these remarks at a banquet here tonight to welcome a Ghanaian Government delegation led by Kojo Tsikata, special adviser to the Ghanaian Provisional National Defense Committee.

Wu said that, in the past 24 years since the establishment of diplomatic relations, China and Ghana had carried out fruitful cooperation in the political, economic, cultural and other fields on the basis of equality and mutual benefit. "I am deeply convinced that, through our joint efforts, we can surely carry the friendly relations and cooperation already existing between our two countries to a new stage," he added.

In reply, Tsikata said that Ghana would endeavor to deepen and consolidate its cooperation with China as well as find new fields of cooperation to the mutual benefit of both countries. He expressed the belief that his delegation's visit would contribute to deepening mutual understanding and trust between the two peoples as well as promoting friendship and solidarity between the two countries.

Wu said that the Ghanaian people, under the leadership of the Provisional National Defense Committee headed by Chairman Jerry Rawlings, were working unremittingly for safeguarding state sovereignty and fulfilling the three-year economic recovery program and the agricultural program. He praised the Ghanaian Government for pursuing a policy of non-alignment, opposing imperialism, colonialism and racism, supporting the national liberation movement, upholding African unity, attaching importance to regional cooperation and advocating the establishment of a new international economic order.

Wu reiterated China's independent foreign policy of peace which opposed hegemonism of all kinds. China regarded strengthening solidarity and cooperation with other Third World countries as a cornerstone of its foreign policy, he added. "We are ready to work peace and the development of our respective countries," he said.

Tsikata spoke highly of the achievements of the Chinese Government and people in building their own country as well as in international affairs. "China today is a powerful force for peace in the world and a strong ally in our struggle in the Third World against imperialism, exploitation and racism," he said. Tsikata condemned the regime of South Africa for enslaving the South African and Namibian peoples and expressed support to the liberation movements in South Africa and Namibia in their just struggle for freedom and human dignity. He also denounced imperialist manoeuvres to disturb peace in all parts of the world.

Talks With Delegation

OW030856 Beijing XINHUA in English 0819 GMT 3 Nov 84

[Text] Beijing, November 3 (XINHUA) -- State Councillor and Foreign Minister Wu Xueqian had a three-hour discussion here today with the Ghanaian Government delegation led by Kojo Tsikata, special adviser of the Provisional National Defense Committee. It is learned that in a friendly and sincere atmosphere each side briefed the other with his country's political and economic situation and its relations with other countries. They also exchanged views on the situation in Africa and on other international issues of mutual concern. The discussion resulted in agreement or near views.

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The two sides agreed that the current visit of the Ghanaian Government delegation would help deepen mutual understanding and friendship between the two peoples and expand economic and technical cooperation and bilateral trade between the two countries.

Zhao Ziyang Meets Delegation

OW031446 Beijing XINHUA in English 1431 GMT 3 Nov 84

[Text] Beijing, November 3 (XINHUA) -- Chinese Premier Zhao Ziyang expressed the hope here today that China and Ghana would together restore their relationship to its previous best or even better. Zhao said this at a meeting here this afternoon with a Ghanaian Government delegation led by Kojo Tsikata, special adviser to the Ghanaian Provisional National Defense Committee.

Zhao described the two Third World countries as friends and brothers facing common tasks and sharing identical views on many international issues. There should be no obstacles to the development of Sino-Ghanaian relations, he said. "We believe that the delegation's visit will contribute to the further development of our relations in the political, economic and cultural fields," he added.

Tsikata thanked the Chinese for the warm reception accorded his delegation, which is the first sent to China by the present Ghanaian Government. He said that the delegation's mission was to restore and develop relations with China. He hoped the delegation's visit would be the beginning of improved bilateral relations and the two countries would expand their political ties and trade.

Zhao also briefed the Ghanaian visitors on China's experience in economic construction. They agreed that the two countries should share their experience more frequently and learn from each other.

Li Xiannian Meets Tsikata

OW031723 Beijing XINHUA in English 1522 GMT 3 Nov 84

[Text] Beijing, November 3 (XINHUA) -- Chinese President Li Xiannian and Kojo Tsikata, special adviser to the Ghanaian Provisional National Defense Committee, agreed there today to further relations between the two countries.

In a meeting here this afternoon with a Ghanaian Government delegation led by Tsikata, Li said: "In our view, countries with different social systems can maintain good relations so long as they follow the Five Principles of Peaceful Coexistence, while countries with the same social system may not handle their relations well if they go against these principles." Tsikata agreed with the Chinese president.

Asked about how Ghana had overcome the recent natural disasters, Tsikata said that Ghana had suffered losses from forest fires caused by severe drought in the last two years. But this year's rain had brought about good harvests. Tsikata conveyed greetings from Chairman Jerry Rawlings of the Provisional National Defense Committee to the Chinese president. In return, Li asked him to convey to Chairman Rawlings his best regards and an invitation for him to visit China at his convenience.

BURKINA FASO LEADER SANKARA VISITS BEIJING

Li Xiannian Welcomes Sankara

OW050902 Beijing XINHUA in English 0840 GMT 5 Nov 84

[Text] Beijing, November 5 (XINHUA) -- Chinese President Li Xiannian this afternoon presided over a welcoming ceremony in honor of Captain Thomas Sankara, chairman of the National Council of Revolution of Burkina Faso (Upper Volta), who is on a five-day state visit to China.

Chairman Sankara arrived here this morning at the invitation of President Li. He is the first head of state of Burkina Faso to visit China since diplomatic relations were established in 1973 between the two countries. The ceremony took place in the plaza at the east of the Great Hall of the People. The national flags of China and Burkina Faso flew in Tienanmen Square and colorful buntings were hung over the Changan Boulevard.

When Chairman Sankara arrived at the plaza in the company of Zhao Shouyi, chairman of the Chinese Government reception committee and minister of labor and personnel, Li Xiannian greeted him with a cordial hand shaking. A girl presented flowers to the visiting chairman.

At 4:00 pm, the ceremony started. A military band played the national anthems of the two countries, and a salute of 21 guns was fired. Accompanied by Chairman Li, Chairman Sankara reviewed a guard of honor of the three services of the Chinese People's Liberation Army. More than three hundred school children danced with bouquets and ribbons.

Present were Basile Guissou, minister of external relations and cooperation, Alain Coeffe, minister of commerce and people's supply, and other distinguished guests who were accompanying the chairman on the visit.

Attending the ceremony, President Li met with Chairman Sankara and his party at the Great Hall of the People. This morning, when Chairman Sankara and his party flew in, they were greeted at the airport by Zhao Shouyi, Zhou Jue, assistant foreign minister, Chinese Ambassador to Burkina Faso Feng Zhishan, and Burkina Faso Ambassador to China Michel Monvel Dah as well as other African diplomatic envoys in China.

Talks With Li

OW060545 Beijing XINHUA Domestic Service in Chinese 1556 GMT 5 Nov 84

[Text] Beijing, 5 Nov (XINHUA) -- President Li Xiannian met, and had a cordial conversation with Thomas Sankara, chairman of the National Council of Revolution, president, and head of the Government of Burkina Faso, at the Great Hall of the People this afternoon.

Li Xiannian said: China and Burkina Faso are two friendly countries, and Chairman Sankara has made great efforts to develop friendly relations and cooperation between the two countries.

Sankara said: We have come here for friendship, and we are very satisfied with the cooperation between the two countries.

Li Xiannian briefed Sankara on the political and economic situation in China. He said: Over the past 35 years, we have scored great economic achievements, but we have also taken a roundabout course. We must develop our productive forces to ensure continued economic growth; otherwise, there will be no hope for us. Poverty is not socialism.

Sankara highly appraised China's achievements and experiences in revolution and construction.

Referring to China's foreign policy, Li Xiannian said: We are a developing socialist country, and we are on the side of developing countries and the Third World. We are implementing an independent foreign policy. We make our own judgments according to actual conditions, and do not take our cue from others.

Sankara said: Burkina Faso is one of the 25 poorest countries in the world, but it never yields to other countries because of this. The reason we treasure our friendship with China is that China does not interfere in other countries' internal affairs. The relations between China and Burkina Faso are those of equality and mutual benefit.

Li Xiannian said: We maintain that all countries, big or small, strong or weak, rich or poor, should be equal. Present at the meeting were other distinguished Burkina Faso guests accompanying Chairman Sankara on the visit, and Wu Xueqian, state councillor and minister of foreign affairs.

Hosts Banquet

OW051905 Beijing XINHUA in English 1849 GMT 5 Nov 84

[Text] Beijing, November 5 (XINHUA) -- Chinese President Li Xiannian gave a banquet here tonight for Thomas Sankara, chairman of the National Council of Revolution, president and head of the Government of Burkina Faso. Li paid tribute to the achievements the people of Burkina Faso had made under the leadership of Chairman Sankara in building an "independent and self-sufficient" national economy. The Chinese president said: "The Government of Burkina Faso has won respect and praise from the international community because it follows a policy of non-alignment, good-neighborliness and friendship, opposes imperialism, colonialism and racialism, stands against external forces' intervention in African affairs, supports national liberation movements, attaches importance to expanding regional cooperation, and advocates the establishment of a new international economic order." He said Africa was full of hope and vitality.

"Independent Africa has become a strong force in the current international arena, and is playing an increasingly important role in opposing power politics and safeguarding world peace." Li praised the Organization of African Unity (O.A.U.), which is about to hold its 20th summit meeting, as a symbol of African unity, saying that "it has made outstanding contributions to the liberation, unity and development of Africa, and has won high praise from the people of other parts of the world". The Chinese president said that since the establishment of diplomatic relations, China and Burkina Faso had conducted fruitful co-operation in political, economic, trade, cultural and public health areas. "The friendly relations between the two countries have developed satisfactorily," he added.

Sankara spoke highly of the friendship and cooperation between their countries.

He described such co-operation as a "worthy example" for others, and said it was because of the sincere political desire to expand such co-operation that he and his visiting party has come to China. Burkina Faso and China were genuine non-aligned countries who opposed politics of power groups. "We developing countries should join our hands and try to enhance friendship and cooperation among our peoples," he added. Sankara also stressed the necessity of effecting genuine peace and stability domestically and between neighboring countries.

Present at the banquet were Ngapoi Ngawang Jigme, vice-chairman of China's National People's Congress Standing Committee, Wu Xueqian, foreign minister and state councillor, Zhao Shouyi, minister of labor and personnel, and other senior officials.

XI ZHONGXUN, DELEGATION VISIT ALGERIA

Meet Algerian President 3 Nov

OW040828 Beijing XINHUA in English 0802 GMT 4 Nov 84

[Text] Algiers, November 3 (XINHUA) -- Chadli Bendjedid, general secretary of the ruling Algerian National Liberation Front and president of Algeria, today had a cordial conversation with Xi Zhongxun, head of the Chinese party and government delegation. The Chinese delegation has come here to attend the celebrations of the 30th anniversary of the Algerian armed revolution.

Xi Zhongxun conveyed to Chadli the regards and congratulations from the Chinese leaders Hu Yaobang, Deng Xiaoping, Li Xiannian and Zhao Ziyang. He presented to the Algerian president letters and a traditional Chinese painting as a gift from them.

Chadli said that the friendship between Algeria and China had been forged at a time when the Algerian people's struggle was beset with difficulties. "So we treasure this friendship very much," he stressed. The Algerian president expressed his satisfaction at the progress of cooperation between the two countries made in the past few years and hoped this cooperation would further develop.

Xi Zhongxun said that the Chinese party and government paid high tribute to Algeria's achievements in revolution and construction and attached great importance to the friendly cooperation between the two countries. He added: "China adopts a policy of opening to the outside world and hopes, in particular, for an all-round cooperation with all other Third World nations in attaining joint development."

Attend Anniversary Celebration

OW021134 Beijing XINHUA Domestic Service in Chinese 0802 GMT 2 Nov 84

[By reporter Qiu Weichen]

[Excerpts] Algiers, 1 Nov (XINHUA) -- A grand mass parade and military review were held today in Algiers, the capital of Algeria, to mark the 30th anniversary of the Algerian armed revolution.

Attending today's celebrations were party and government leaders of Algeria and the distinguished guests from the five major continents including Tunisian President Habib Bourguiba; Yassir 'Arafat, chairman of the PLO Executive Committee; the Chinese party and government delegation headed by Xi Zhongxun, member of the Political Bureau and the Secretariat for the CPC Central Committee; and the Chinese PLA friendship delegation headed by Vice Defense Minister Xiao Ke. In the afternoon of 31 October, President Bendjedid received heads of the foreign delegations, including Xi Zhongxun and Xiao Ke, who came to attend the celebration activities.

WU XUEQIAN REPORTS TO NPC MEETING ON HONG KONG

OW061056 Beijing XINHUA in English 1036 GMT 6 Nov 84

[Text] Beijing, November 6 (XINHUA) -- Chinese Foreign Minister Wu Xueqian reiterated here today that the Chinese Government and people would work unswervingly for a thorough and appropriate implementation of China's basic policies toward Hong Kong. Wu made this statement in his report to the eighth meeting of the Standing Committee of the Sixth National People's Congress which began here today.

He expressed the belief that China and Britain would work closely together, in the spirit of friendly cooperation shown in their talks, during the transition period from now through 1997 to ensure a smooth implementation of their agreement on the Hong Kong issue.

Britain annexed Hong Kong Island after the Opium War of 1840 and the southern part of the Kowloon Peninsula after the Second Opium War of 1856. It forced the government of the Qing Dynasty to lease a large part of northern Kowloon and more than 200 islands nearby for 99 years ending in 1997 after the Qing government was defeated in the Sino-Japanese War of 1894-1895. Sino-British talks on the Hong Kong issue started in September 1982 and the two governments initialed a joint declaration on Hong Kong on September 26, 1984.

The agreement affirms that the Chinese Government will resume the exercise of sovereignty over Hong Kong on July 1, 1997. The agreement also carries the basic policies of the Chinese Government toward Hong Kong and has made detailed arrangements to ensure Hong Kong's prosperity and stability.

The report was delivered before the top legislative body at a session presided over by Peng Zhen, chairman of the NPC Standing Committee.

In his report, Wu said that the agreement was reached by the two sides through circumspect and patient negotiations in the spirit of taking the whole situation into consideration and of friendly cooperation. "The successful settlement of the Hong Kong issue fully accords with the fundamental interests of the entire Chinese people, including those in Hong Kong," he said.

Explaining the major aspects of the basic policies, he said that, after the recovery of Hong Kong in 1997, a special administrative region under the authority of the Central People's Government would be established. The chief executive of the region would be appointed by the Central People's Government on the basis of elections or consultations to be held locally, he said. The region's foreign and defense affairs should be the responsibilities of the Central People's Government. The region would enjoy a high degree of autonomy and be administered by local inhabitants, but this would not mean independence, he added.

Wu said the current social and economic systems in Hong Kong would remain unchanged, and so would the local people's life-style. The laws currently in force would remain basically unchanged. Hong Kong would retain the status of a free port and a separate customs territory and of an international monetary center. The economic interests of Britain and other countries would be protected by law, the foreign minister said. British and other foreign nationals would be allowed to remain in the public and police services.

He said that the agreement would be officially signed by the end of this year after it was examined and approved through the legal procedures of both countries. It would come into force on the date of the exchange of instruments of ratification, which would take place before June 30, 1985.

Wu said the successful settlement of the Hong Kong issue was an important step toward the country's reunification and would also help maintain an enduring prosperity and stability in Hong Kong and benefit China's socialist modernization as well as peace in Asia and the world. It also demonstrated that Sino-British friendly cooperation had entered into a new stage, he said. He expressed the belief that with the successful settlement of the Hong Kong issue, friendly cooperation between China and Britain would be further consolidated and developed.

On behalf of the State Council, Wu asked the Standing Committee to examine all the documents of the agreement as well as his report and explanations.

HU YAOBANG SPEAKS IN XUZHOU ON URBAN REFORM

OW052200 Beijing XINHUA Domestic Service in Chinese 0748 GMT 5 Nov 84

[By RENMIN RIBAO reporter Yao Liwen and XINHUA reporter Zhao Ming]

[Text] Xuzhou, 5 Nov (XINHUA) -- Hu Yaobang, general secretary of the CPC Central Committee, invited 13 factory directors, managers and party committee secretaries of 7 enterprises, including the heavy-duty machinery plant, synthetic detergents plant, electrolytic chemical industrial corporation, textile mill, the iron and steel mill, Huaihai Tannery and city industrial rubber corporation in Xuzhou to attend a forum on 3 November to discuss issues with regard to economic restructuring. Hu Yaobang was greatly elated when he learned that the majority of the principal responsible persons of these enterprises were under 50 years of age and that most of **them** had a **college education**. He urged all of them to courageously shoulder their heavy responsibilities; join the comrades at the central, provincial and city levels in working hard at one's own post and performing one's own job; use their minds; carry out their work creatively; and strive to do a good job in economic reforms.

Hu Yaobang inquired with regard to the scale, size, workers' income, production, management, sales, and marketing of various factories and attentively listened to the opinions and views expressed by the enterprises' leaders on urban reform. In conclusion, he dwelled on the following points:

1. The 3d Plenary Session of the 12th CPC Central Committee has already laid down a clear-cut orientation and a general principle and policy on urban reform. However, urban reform is much more complicated than rural reform. How do we reform the planning system, price system, and wage system as well as the systems in the fields of science, technology, and education? We cannot carry out our reform well if we do not have a series of specific policies and measures. In order to truly implement the decision laid down by the central authorities, we still need to provide careful guidance and arouse the comrades in the whole party to exert careful guidance in carrying out their work in a down-to-earth manner. We will never fulfill our task of reform if we rest content with the 17,000 word "decision." In this regard, we must rigidly guard against carelessness.

2. In reforming the economic system well, the central government, local administrations, and enterprises should share responsibilities.

As far as the whole party is concerned, the central authorities are responsible for major issues that affect the overall situation. If intermediate links go wrong, the central government departments and local administrations should be held responsible. However, it is up to the enterprises themselves to solve problems that concern them. How do we adjust the internal relations within an enterprise? How do we improve management? How do we whip up the enthusiasm of the workers and technical personnel and strengthen our ideological and political work? All these questions must be carefully tackled by the enterprise itself, one question after another. The enterprise leadership must not look only to the central authorities for help, waiting for the central authorities to come up with some measures. They should proceed from the actual circumstances of their own enterprises and display their own initiative and creativeness in light of the principles and policies laid down by the central government.

3. Two kinds of thinking and practices may crop up in the course of making reform. One practice is to rely on one's own efforts, overcome all kinds of difficulties and interference, and creatively implement the decision of the central government. Comrades who carry out such a practice are fine examples and good party members. But there are other who shirk hard work and leave knotty problems and contradictions for higher authorities. They even rely on reckless price hikes and sordid means of infringing upon the interests of society and consumers to increase the incomes of enterprises. We must give full play to the former practice, while guarding against and fighting the latter practice. We must give publicity to the advanced thinking, deeds, experience of those comrades who have actively participated in reform in order to reform our economic system smoothly. Party rectification work must be closely linked with the work of economic reform in an enterprise. The burdens of an enterprises' party committee become heavier instead of being lighter after the reform of the system.

4. Workers' incomes must be linked to economic performance. If this principle is not followed, it will be impossible for the reforms to progress. The purpose of instituting the responsibility system and doing away with the practice of "eating from the big pot" is to expand production and raise productivity. After the rural reform, productivity has been greatly raised. Only since then have "households with 10,000 yuan income" emerged. Only when productivity in cities is raised, will workers' income be raised accordingly. We must resolutely and boldly widen the present wage gaps among the workers. It is necessary to introduce and study foreign and domestic advanced technology and management skills, and open our horizons and do all we can to raise productivity. Only thus is there hope for our economy and our nation.

RENMIN RIBAO VIEWS ENLIVENING ENTERPRISES

HK051156 Beijing RENMIN RIBAO in Chinese 27 Oct 84 p 2

[Article by Tian Jia and Zhang Zhongjun of the State Restructuring of the Economic System Commission: "Enliven Enterprises Through Power Delegation and Integration -- Changzhou City Is Blazing a New Trail in Its Economic Reform"]

[Text] Since the beginning of this year, Changzhou City of Jiangsu Province has energetically enforced the State Council's 10 rules on enlarging enterprise decisionmaking -- to boldly make investigations, to grasp priorities, to work in a down-to-earth manner, and to blaze a new trail in reform.

Focus on Enlivening Enterprises and Realistically Enforce the Power Delegation Rule at the Lower Levels

Firmly carrying out the power delegation rule at the enterprise level has not been smooth sailing. Last year, Changzhou City's industrial bureau was converted into an industrial company.

Some people do not think correctly, holding that if power is delegated, a company will become "a company in name only." Authorization regarding power and profits was withheld at the company level. The Changzhou industrial tractor company became involved with the implementation of six rules on enlarging enterprise decision making power. Power was supposedly delegated; actually, however, not only was power not delegated, but power was revoked from a given enterprise. Only after the leading city comrades worked with one department after another did the thinking of cadres at various levels become unified.

According to a recent check, some units are still marked by a situation in which "power is supposedly but not actually delegated." For example, concerning the exercise of the power to examine and approve bonuses, various departments and companies claim to have delegated such power to enterprises, but a check of bank papers shows that of 10 industrial companies, 9 had not done so. The main reason is that some comrades have done things by force of habit, with no desire to "delegate power." Some are afraid of an erosion of personal power and are "unwilling to delegate power." Some have no faith in the competence in the proper exercise of power of enterprises at the lower levels and are "fearful of delegating power."

The comrades of Changzhou City hold that as long as the following three tasks are properly handled, the business of delegating power will be easy: 1) The proper handling of power delegation at every level for enterprises under direct control; 2) the proper handling of power delegation for those auxiliary operations involved in making parts to complete whole sets of equipment; and 3) guiding and helping enterprises in the proper exercise of power. At present Changzhou City is working on these tasks.

Take "Name Brand, Superior, and New" Products as the Focus and Backbone Enterprises as a Basis for Developing Economic Integration.

Urban and rural industrial production throughout the city is currently marked by the formation of dynamic "groups of enterprises" based on inherent links in economic activities, with "name brand, superior, and new" products taken as the focal point and backbone enterprises as a basis. Centering on cameras, bicycles, tape recorders, electrical machinery and appliances, household electrical appliances, knitwear, and other products, 16 parent factories have been separately set up and more than 400 enterprises in urban and rural areas integrated to form a new pattern of productivity. Marked economic results have been achieved. For example, the Changzhou household electrical appliance parent factory was still lost money last year, due to difficulties with production matters. After implementing the practice of intergration in March this year, they settled on the production of superior products and joined more than 100 enterprises in urban and rural areas in specialized production. By the end of July they had achieved a profit of more than 400,000 yuan and the enterprise picture greatly changed. Compared with before, this new form of integration has the following features:

1. Conditions for integration are not the same. The new form of integration is based on enlarged enterprise decisionmaking power. Instead of being "a forced marriage" under orders from outside or from a higher to a lower level, it is spontaneous integration prompted by market competition and the need to enliven enterprises. The need for integration becomes apparent to many departments in charge only after it happens.

2. The method of integration is different. The new form of economic integration is based on economic means' adherence to the principle of willingness, equality, and mutual benefit; and the upholding of three "freedoms from change" involving the system of ownership, the relations of an enterprise being put under control, and the ways of handing over financial payments to higher levels.

3. The pattern of integration is different. The new form of integration has developed from the past "one-dragon" or "one-plait" pattern of the same lines of business or the same trades being linked to a "snowballing" of integration across regional boundaries and across the boundaries between town and country.

4. The aim of integration is not the same. The main object of the new pattern of economic integration calls for upgrading the quality of products, developing new products, and strengthening enterprise reserve strength.

Proceed With the Study and Formulation of New Strategic Plans for Economic Development and Pay Attention To Starting New Trades and Reforming Traditional Industries

The comrades of Changzhou City held that given the rapid scientific and technical advances in the world and an ever-changing variety of new products, fierce competition on the domestic and international markets, and a new situation in which fraternal cities try to catch up with each other, we must study new countermeasures, closely linking reform with planning and the firm implementation of Changzhou's new strategy for economic development. In the past few years the annual rate of Changzhou's old products being removed from production has stood at around 5 percent, and even as high 20 percent in some trades, but the growth of new varieties of products has remained at a rate of less than 2 percent. Given such a situation, the comrades feel that only with a sense of urgency about further promoting technical progress will we be able to use new science and technology to develop new trades, reform traditional industries, and increase competition. Changzhou City is chiefly concentrating on the following three tasks:

1. Attention is paid to studying and formulating strategic plans for economic development. In organizing the discussion of strategies for development, the city started formulating a strategic economic development plan for "three new things and one reformed" (that is, the development of new trades, new techniques, and new products, and the reform of existing enterprises). It is held that Changzhou cannot be satisfied with the intensive development of traditional industries, but must seek development in the area of new industries. Therefore, the four new industries of foodstuff, feed, modern construction materials, and construction work are fixed as strategic priorities for immediate development. Through these new industries, a series of products are also stimulated, inviting the creation of a favorable cycle in agricultural production.

2. Attention is given to developing and applying new techniques, new technologies, and new products. Primary attention is given to developing, popularizing, and applying micro equipment, in order to enable the gradual development of the technical equipment of all lines and trades in the direction of "mechanization, electrification, and the uniformity of instruments." Meanwhile, the business of providing information is strengthened. The idea of "taking on" is applied to all new techniques appearing on the domestic and international scenes. The idea of "receiving the god of wealth" is also applied to all useful skilled workers who are invited to visit. This is done in order to speed up raising the scientific and technical levels of the whole city.

3. Advanced technology is imported from abroad to accelerate the technical transformation of traditional industries. There are 2,432 projects approved for technical transformation this year, an increase of 85 over last year, and they have with a total investment of 270 million yuan, an increase of 110 million yuan over last year.

COMMENTATOR URGES REAL DELEGATION OF POWER

HK051222 Beijing RENMIN RIBAO in Chinese 27 Oct 84 p 2

[Commentator's article: "Streamline Administration and Place Power Delegation on a Firm Basis"]

[Text] To strengthen enterprise vitality, we must streamline administration and delegation of power in line with the principle of separating government and enterprise responsibilities. At present, the key to streamlined administration and delegation of power lies in the firm enforcement of that principle.

Only with a correct understanding and a clearcut direction can we remove obstacles in firmly upholding the streamlining of administration and delegation of power. For a long time our government at all levels has held itself responsible for many things that it cannot handle well. Meanwhile, this has left it with no time to take care of many things that bear on the situation it should handle. Despite its past involvement with the matter of power delegation on many occasions, the urban economic front has only touched on the readjustment of authority between government organs and between districts without paying attention to the vital problem of enlarged enterprise decision-making power. If we continue to confine ourselves to the old line of thinking and apply old methods to "reform," we will not be able to achieve good reform results. Given no separation of government and enterprise responsibilities, streamlined administration is ruled out. The absence of streamlined administration reduces the matter of power delegation to no more than empty words, and enterprise vitality is then impossible. Therefore, separation of government and enterprise responsibilities is a new breakthrough on our part, as far as the economic management system is concerned. Only by resorting to streamlined administration and delegation of power in line with the "CPC Central Committee's Decision on the Reform of the Economic System" and breaking away from the fixed pattern of many years can we fundamentally change the harmful practices hampering economic development. Given separation of government and enterprise responsibilities and the release of the government at all levels from the direct supervision of enterprise production and operation activities, we can concentrate forces on organizing and guiding economic construction on the whole and correctly give play to the state organs' economic management functions through economic, administrative, and legal means. In this way, state control of economic work is not weakened but strengthened. Meanwhile, the way is also paved for enlivening enterprises.

Firmly upholding streamlined administration and delegation of power means really delegating power to the enterprises involved in production and operation activities. Enterprises are directly responsible for production, construction, and commodity circulation and represent a leading force in socialist productivity development and economic and technical progress. Given streamlined administration and delegation of power, the proper readjustment of relations between the state and an enterprise and between an enterprise and its workers, as well as the establishment of the workers' role in enterprise operations as masters of the house an enterprise is really made an undertaking capable of independent operation. Only in this way can it have motivation, carry weight, and show vitality in the vast world of production and operation.

Streamlined administration and delegation of power must be appropriately linked to the reform of our work methods and work style and courage to act and to create new things. Given a reformed system, organizational bodies must also be reformed. The readjustment of certain organs and their personnel may involve the rights and interests of some units and individuals. As far as problems of this kind are concerned, we must educate cadres and workers so that they can be more farsighted and submit to reform for the good of the whole.

Of course, in making organ and personnel changes and readjustments, simple and crude work methods are unacceptable. Reality must be taken into consideration in making over-all plans and proper arrangements. Every effort must be made to do the work a bit more conscientiously and a bit more satisfactorily.

The national economy is an organic whole. Streamlined administration and delegation of power also call for cooperation and concerted actions from all quarters. Let us act in concert to really put streamlined administration and delegation of power on a solid basis!

RENMIN RIBAO REPORTS ZHEJIANG'S FORESTRY REFORMS

HK030848 Beijing RENMIN RIBAO in Chinese 31 Oct 84 p 2

[Report: "Zhejiang's Forestry Areas Change Management Structure To Enhance Economic Results" -- capitalized passages published in italics]

[Text] Zhejiang's forestry areas have changed the previous situation of being engaged only in planting trees and supplying timber, have widened their field of vision, have carried out comprehensive development, have switched from a production type of operation to a management type of operation, and have thus raised the level of forestry management and their economic results.

In order to do a good job in diversified undertakings, Zhejiang Province first streamlined government administration and transferred power to enterprises. While expanding cultivation and animal breeding, 90 percent of the state-run forestry farms in the province have allocated one-third of their labor force to be engaged in commerce, industry, sideline undertakings, the processing industry, tourism, and the service trades. For example, Jiande forest farm has given play to the advantages of the forest areas and satisfactorily grasped diversified undertakings. It has not only developed the industry to process bamboo and wooden products, but has also established hydroelectric power stations and tourism. Its income from diversified undertakings accounted for 50 percent of the total income of the farm last year. Aside from the state-run forestry farms, reforms have also been carried out in collective farms to separate them from rural administrative organizations. Many prefectures and counties have set up forestry companies, seedling companies, forest protection companies, and other management organizations to undertake forestry operations that were originally run by forestry administrative departments.

At present, the transition of Zhejiang Province's forest areas from production to management is mainly displayed in the following way:

1. MANAGEMENT METHODS OVER FOREST PRODUCTS, IN PARTICULAR OVER "FOUR KINDS OF TIMBER," HAVE BECOME MORE FLEXIBLE AND THUS ACTUALLY BENEFITTED FORESTRY WORKERS. Under the prerequisite of carrying out the timber felling plans and fulfilling the tasks of timber sales assigned by the state, the business related to the "four kinds of timber" and the work in progress have been undertaken not only by forestry departments, but also by other departments and rural collectives. The business has been carried out in diverse ways, including sales by agents, direct transactions between buyers and sellers, and bartering.

2. BUSINESS ACTIVITIES OF FORESTRY INDUSTRIAL AND COMMERCIAL ORGANIZATIONS HAVE BEEN VERY ACTIVE.

At present there have already been 60 units at the county level that have established forestry industrial and commercial organizations, which mainly take the following five forms: 1) On the basis of the organizations of the county forestry bureaus or timber companies, one leading group has been set up in each county to arrange industrial and commercial activities related to forestry while these industrial and commercial sections are financially separate from each other. 2) The forestry departments introduce buyers and sellers to enable them to conduct direct transactions. 3) Production and sales departments have established transregional cooperatives, in which the production departments provide products to be sold in the cooperatives through the sales departments. The profits earned by the cooperatives will be shared between the production and sales departments. 4) Several units have formed a cooperative company to conduct all-round business related to special forestry products. 5) Collectives and individuals have pooled capital to set up firms to market forestry products, establish processing factories and promote the sales of stockpiled unmarketable products. These forestry industrial and commercial organizations combine the various links of forestry, felling, processing and sales; put an end to the situation of separation between production and trade; promote the development of commodity production; increase the income of forestry workers; and actually increase the value of products and accumulate funds for the development of forestry. The 11 counties have increased their funds for cultivating forests by 4.1 million yuan, allocated 4.88 million yuan from their profits for the development of forests, invested 4.25 million yuan for the development of communications in mountainous areas, and, at the same time, paid 7.43 million yuan more in taxes to the state.

3. THE COMPREHENSIVE PROCESSING OF TIMBER HAD DEVELOPED BOTH IN DEPTH AND WIDTH. In the process of developing commodity production, Yiwu County has set up 68 processing factories. Shimen Township in Linan County had developed the industry to intensively process wood powder and thus raised the value of miscellaneous wood from 2 yuan per 100 jin to 9 yuan per 100 jin.

The transition from production operations to management operations in the forestry areas in Zhejiang Province has actually benefitted the masses of people. This year these areas have planted trees on 2.26 million mu of land, which is 113 percent of the planned target.

Commentator's Article

HK030908 Beijing RENMIN RIBAO in Chinese 31 Oct 84 p 2

[Commentator's article: "Forestry Enterprises Should Change From the Production to the Operation Type -- Second Discussion on Accelerating the Pace of Forestry Reform]

[Text] A commentator's article in the 19 October issue of this paper, entitled "Let Peasants Become the Masters of Mountain Forests" examined a fundamental problem in the forestry reform. To accelerate the pace of revitalizing our forestry, another big problem needs to be solved. This is how to change the forestry enterprise from the production to the operation type.

Forestry enterprises, including state and collective forestry centers, represent an important forestry base for the state. In the past, as far as production was concerned, enterprises were only devoted to log production and had no power to engage in business operations, which resulted in their ending up increasingly poor and lacking in funds. In regard to the system of management, much administrative intervention came from higher-level departments in charge.

Forestry centers were enterprises only in name. In actuality, they had no decision-making power in regard to the transfer of cadres, the use of workers, the formulation of plans, matters of operation and management, the handling of products, and so forth. Therefore, they lacked vitality in operations and management. Meanwhile, an excessive administrative staff was matched with an appropriately reduced size of the worker production force, and heavy burden brought to bear on forestry centers. Given such a management system, distribution was a matter of sharing equally in the same "big rice pot" and practicing egalitarianism, the system of rewards and penalties being not strictly upheld, and diligence or laziness making no difference. This not only dampened workers' production and operation enthusiasm, but also kept the forestry enterprises from giving full play to their own superiority through their resources. A situation of "either perishing or living in poverty" formed.

To enliven forestry enterprises, we must free ourselves from the bonds of an undertaking confined to one single type of production and change to an operation-type enterprise based on forestry operations, in order to become an independent economic entity. Be it a state or collective forestry center, given no decisionmaking power, no operation activities can be active. This is to say that given the guaranteed fulfillment of state assignments, the forestry enterprise should have the power to decide on plans and arrangements for itself, production and operation matters, the use of funds, the distribution of earnings, the handling of products, and economic integration with other parties. An enterprise should be able to refuse being burdened with unwanted workers and other irrational impositions. State forestry centers should be allowed to recruit and select their own managers, who answer to the higher levels on a contract basis and have full power to direct production and operation matters.

Decisionmaking power for forestry enterprises brings with it enthusiasm for developing forestry and multiple undertakings. There is great potential for forestry enterprises in the matter of comprehensive utilization and development of multiple undertakings. For example, given such features of forestry as what is reaped in a short period being necessary to sustain us for a long period of time and earnings from sideline operations being capable of keeping a forestry center going, increased income can be derived from the development of crop planting, the processing industry, the breeding trade, the tourism industry, commerce, the service trade, and so forth, keeping local features in mind. Comprehensive utilization should be allowed for in regard to timber. For units in some countries, the comprehensive utilization rate for timber reaches 90 percent. For our country, it is only around 20 percent. To pave the way for the development of multiple undertakings, improve economic results, and increase mass income, we can promote contracting in various forms combining "responsibility, power and profits." Any method of operation that does not clash with the forestry laws and that helps forestry development should be upheld in deference to mass will.

Of course, an attitude both active and prudent should be assumed toward the reform of forestry enterprises. By establishing operation-type forestry enterprises, we mean stressing forestry operations as a base and combining felling with afforestation and not sole occupation with tree felling and log selling. What we advocate is a way to get rich through the development of forestry and get rich through the development of multiple undertakings. It is unacceptable if the benefits and if we unilaterally and in isolation stress one-sided benefits. Given the protection of forests, we must feel free to apply the economic laws of commodity production, to the demands of intensive operation, and strive to increase immediate or middle-term enterprise economic results.

An increase in forestry resources and the improvement of economic results must be taken as two important yardsticks by which to measure the forestry development. State or collective forestry centers must let direct operators benefit by operations and become rich gradually.

MORE WAYS TO USE TALENTED PEOPLE NECESSARY

HK021021 Beijing RENMIN RIBAO in Chinese 30 Oct 84 p 5

[Article by Li Lian, secretary of the Heilongjiang Provincial CPC Committee: "Meticulously Study the Way To Use Talented People During the New Period" -- capitalized passages published in boldface]

[Text] In order to build our country into a socialist country with a high degree of civilization and democracy, the leading cadres of the party at all levels must have a fairly wide range of scientific and cultural knowledge, be imbued with the spirit of carrying out reform and blazing new trails, and have both organization and command capabilities. Therefore, doing away with the obsolete idea of not using talented people, which is not suited to the new situation, and studying and devising ways of using talented people in the new period constitute an important question that should be solved in strengthening the building of leading bodies.

1. IT IS NECESSARY TO PROVIDE YOUNG AND MIDDLE-AGED CADRES WITH NUMEROUS "STEPS" SO THAT THEY CAN GROW RAPIDLY AND CAN ACCUMULATE EXPERIENCES AND ENHANCE THEIR LEADING ABILITIES IN VARIOUS WAYS. A fairly common phenomenon we now face is that although quite a few outstanding young and middle-aged cadres are eligible for promotion to the third echelon of leadership, we always think, however, that few of them can be promoted to the leading bodies at various levels in the near future. Why is this so? An important reason for this is that a few comrades, not having a comprehensive understanding of the "steps" and a clear understanding of "specialization," have failed to quicken the pace of training young cadres. Some of our comrades are prone to confine the "steps" to leading party and government organs or departments in prefectures, cities, or counties; they do not attach enough importance to enterprises and institutions, such as factories, schools, and scientific research institutes. Moreover, they regard the question of whether or not young and middle-aged cadres have scaled the principal "steps" of holding "Leading posts in party and government organs" as a criterion for determining whether they have received cultivation and training. In so doing, real talents may be stifled easily and the rationalization of the structure of the leading bodies will also be affected. The four modernizations program is a gigantic and complicated social engineering and systems engineering project that requires all kinds of leading talents to work in a coordinated way. We should not only have talented persons for "commanders in chief" who are good at commanding the situation as a whole but also talented persons for "generals" who are well versed in various professional work. Only by allowing the former to scale the steps of "commanders in chief" and the latter to scale the steps of "generals" purposefully, in a planned way, and in light of the basic quality, professional knowledge, and future development of each young cadres and the needs of practical work is it possible to make them grow side by side and to ensure a steady flow of talented persons on all fronts and in all posts to carry on our cause.

2. IT IS NECESSARY TO DISCARD THE IDEA OF DEMANDING PERFECTION AND TO BE BOLD IN USING ABLE PERSONS WHO HAVE PIONEERING SPIRIT AND WHO ARE KEEN ON CARRYING OUT REFORM ALTHOUGH THEY MAY HAVE SOME SHORTCOMINGS. Lenin said that people's shortcomings are mostly related to their strong points. In selecting and promoting cadres, we naturally wish to select and promote those who have many strong points but no shortcomings.

But how can there be people without shortcomings in practical life? In practical life we often come across the following two phenomena: Some people who have a relatively wide range of knowledge and remarkable ability and who can open up a situation and score outstanding successes in work often have some obvious shortcomings. The masses say that such cadres have outstanding strong points and shortcomings. There are also some people who are slacking and mediocre in work and who have neither outstanding strong points nor obvious shortcomings. Holding that they are "not quite sure" about the first category of people and that it is relatively "safer" to use the second category of people, some leading comrades often use the latter and not the former. For this reason they would rather be satisfied with the existing state of affairs than take "risks" or be subject to "censure" in the use of people. These selfish ideas and personal considerations have hindered us from boldly selecting, promoting, and using talented persons who are bold in carrying out reform and blazing new trails. At present, whether or not we can boldly use a large number of talented people who are keen on carrying out reform is crucial to the opening up of a new situation in the modernization program. Therefore, the way to use talented people in the new period is to boldly use those able persons whose basic quality is good in spite of their shortcomings and, at the same time, to strengthen education on, and supervision over, them in order to help them overcome the shortcomings. We should not promote to leading posts those people who seem to have "no shortcomings" but who are not in a position to open up a new situation.

3. IT IS NECESSARY TO SELECT AND PROMOTE ABLE PERSONS IN LIGHT OF OUR NEEDS; TO BE BOLD IN SELECTING AND PROMOTING OUTSTANDING PEOPLE WHO ARE BOLD IN CARRYING OUT REFORM AND BLAZING NEW TRAILS; AND TO BE GOOD AT PROVIDING LEADING BODIES WITH CADRES WHO ARE BOLD IN CARRYING OUT REFORM AND BLAZING NEW TRAILS. Whether or not the principal responsible person of a leading collective is keen on carrying out reform and going all out to forge ahead is of decisive importance to whether or not the entire leading body can open up a new situation. It should also be noted, however, that a principal responsible person is unable to develop his ability to the fullest without the energetic support and forceful coordination of the other leading members. When selecting and promoting talented people, we are prone to give more consideration to specific individual than to the overall structure of a leading body. A leading body should be made up of people who can devise strategies and men of action who quietly immerse themselves in hard work. They should unite closely and work in coordination. A philharmonic orchestra cannot strike up melodious tunes without the organized coordination of numerous musical instruments. If we select only one type of talented people to form a leading body, things may go against our wishes. It often happens that all the members of a leading body are above average, but because they are not organized rationally, they not only fail to develop their strong points but offset one another, thus turning an advantage into a disadvantage. The former leading body of a unit in our province, which was made up of several comrades who had worked as principal responsible persons in other units, should be regarded as having a very strong leading force. However, because the leading comrades were all responsible for the overall work, the leading body could not advance in a coordinated way. This shows that the key to opening up a new situation in the work of a locality or a department lies in whether or not we have a leading body that is bold in carrying out reform and blazing new trails and that whether or not a leading body has the ability and the resolution to forge ahead depends not only on whether or not we have selected and promoted one or two able persons to the leading body but also on whether or not we have provided the leading body with all kinds of outstanding talents.

4. IT IS NECESSARY TO ADOPT THE METHOD OF INTEGRATING LEADING CADRES WITH THE MASSES AND TO EXTENSIVELY DISCOVER AND CORRECTLY UTILIZE TALENTED PEOPLE.

Opinion polls are a means of discovering talented people but they are not the only criterion for judging talented people. This is because when judging and recommending talented persons, people are apt to judge them from the viewpoint of their own localities, departments, or units and from their knowledge of these persons. This inevitably has its limitations and onesidedness. Therefore, the organization department and the leading organs at a higher level conscientiously should assess cadres in strict accordance with the requirements for cadres, on the basis of opinion polls, and in full consideration of intellectual structure and work requirements. They should discuss these cadres both at the higher and lower levels several times, compare them repeatedly, and select the most excellent from them. Only in this way can we provide the leading bodies with outstanding cadres. By selecting and promoting cadres in this way we can step out of our narrow circle, not only breaking away from mysticism but also avoiding the practice of keeping leaders in the dark.

"Every dynasty has its own talented people to make plans for and to engage in rejuvenating the nation." We are now in a great historical period in which the Chinese nation is making great efforts to rejuvenate itself. The new era will certainly bring up new talented people. So long as we plunge ourselves into the mighty torrent of reform, open up more channels, and energetically pave the way for them, talented people will certainly emerge in large numbers.

ROLE OF REFORM, CONCEPT OF VALUE EXAMINED

HK021409 Beijing GUNAGMING RIBAO in Chinese 22 Oct 84 p 3

[Article by Li Lianke: "Reform and the Concept of Value"]

[Text] The present trend of reform touches people in their very thinking and concepts. Of this, the concept of good and bad -- namely the concept of values -- which is closely related to that of right and wrong, will surely be tested, substantiated, and developed. Studying the relationship between reform and the concept of value is of both immediate and theoretical significance.

The Guidance of a Correct Concept of Value Is Indispensable to Reform

Reform can promote the "four modernizations" program and accelerate the building of socialism with Chinese characteristics. This has been affirmed by the practice of the reforms carried out in recent years in the cities and the countryside -- by rural reform in particular. Why can reform have such great power? This is because reform is aimed at developing the productive forces and raising the economic results of various sides concerned. The aim of economic reform is to attain better economic results; the aim of educational reform is to raise the results in training qualified people; and the aim of reform in ideological and cultural work is to increase the results in building spiritual civilization. The question of results is a matter of value. The so-called results are referred to in connection with the people's social needs. When we say that a reform has raised results, we mean it has satisfied the needs of the masses of people in a broader and more profound manner. The relationship between objective things and subjective needs is known as value.

To judge the successes and failures of reform, first of all, we should see whether and how they promote the development of productive forces and at the same time, should see whether or how they accord with the interests and demands of the masses of people. Comrade Deng Xiaoping pointed out: The most fundamental task in the socialist stage is to develop the productive forces and the superiority of socialism is manifested in the gradual improvement of the material life of the people.

Thus Comrade Deng Xiaoping closely linked the question of productive forces with that of value and the question of developing production with that of meeting the material needs of the people. This is the important guideline for us in carrying out reforms. In practicing socialism and carrying out economic reform, if we concentrate on welfare benefits to the neglect of the development of productive forces, we will degenerate into utopian socialism, and if we put emphasis exclusively on the development of productive forces to the neglect of the improvement of the people's living standard, we will hardly develop the productive forces and moreover, we will thoroughly violate socialist principles.

Of course, the question of value is by no means merely a matter of benefits. People have not only material needs but also spiritual needs and the need for developing themselves in an all-round way. From the viewpoint of value, social reform and social progress in the final analysis should benefit the all-round development of people. However, the all-round development of people will undergo a long historical process because it makes the full development of both material and spiritual production a prerequisite. In carrying out reforms, we must have a long-term point of view and base ourselves on actual conditions. The reality at present is that there is still a contradiction and moreover a great disparity between people's even increasing material and spiritual needs and social production. Therefore, developing the productive forces and improving people's material life is all the more imperative at present.

The Changeability of the Concept of Value

A comrade who was bold in conducting reforms stated with considerable emotion: In order to carry out reforms smoothly, first of all, it is necessary to change some views prevailing among the people on the concept of value. If we relate this remark to the comrade's whole statement, it may possibly be a sound judgement but if we further study the remark as it stands, a concrete analysis is yet to be made.

Can the concept of value be changed? From a dialectical viewpoint or a viewpoint of looking at everything with an eye on the course of its development, as a matter of fact, it has a process of development and change but from the class idea of the concept of value and from the angle of whether it is a materialist or idealist concept of value, we cannot but adhere to the proletarian, materialist concept of value. We should on no account waver in and change this conviction.

The philosophy of value which arose at the end of the 19th century has been particularly widely discussed in the last 10 or 20 years. Although this philosophy has various schools of thought with different theories, it remains in the category of idealism. Advocates of this philosophy have either regarded value as the satisfaction of subjective needs or have regarded it as a norm and ideal transcending reality, and as an apriority of the world. Different from this philosophy, the Marxist concept of value regards value as a property of the object (nature, society, and spiritual products) satisfying subjective needs, or in other words, a relationship between objective things and subjective needs. Although value is the opposite of subjective needs, it still has an objective property. This is not only because the property of the object that can satisfy subjective needs is an objective thing but also because subjective needs are themselves determined by objective and historical conditions. At the same time, because people's subjective needs are created by society, they are of a social character and in a class society, they are of a class character.

People in any historical stage have their own material needs, such as food, clothing, shelter, transportation, and consumer goods and spiritual needs in varying degrees.

With some elementary knowledge about history, we can find that the needs of people living in different times vary greatly. Ancient emperors, generals, and ministers who lived in luxury never had the need for airplanes and cars as ordinary people in modern times have. Now that people's needs are created by society, with the development of history, they will surely undergo a "constant change" and never remain at the same level. People's concept of value will not only develop with the development of history but also advance with the progress of scientific knowledge.

People who are not good at changing their concept of value along with the advancing times can be found everywhere in all ages. By those who are conservative in their ideas and stubbornly adhere to outworn rules and ideas, we mean people who stick rigidly to an outmoded concept of value: What makes them different is that some are little short of reactionaries and are detestable and others are ignorant and thus lamentable. Those who stick rigidly to the old concept of value frequently consider themselves orthodox and when talking about something, they will always refer to previous practices. However, if people always approach reality with a past concept of value, how will society progress? Of course, the present is only the sublation of the past, rather than being its total repudiation. The present invariably contains the factors of the past. Nevertheless, the present is, after all, different from the past. Just think, if we had listened to what the "advocates of the doctrine of national and cultural uniqueness" proposed and exclusively wore gowns and recited classical works and moreover regarded the knowledge of mathematics, physics, and chemistry as unorthodox beliefs, what would our motherland have looked like today? If anyone still regards today the deforming of women's feet by foot-binding as a virtue, is he not considered by people to be crazy? Any concept of value has different meaning in different ages and it has, therefore, the limitations of the times. We should neither use the modern concept of value to ridicule our predecessors nor use their concept of value to instruct the people in modern times. In the ongoing reform, particular attention should be paid to avoiding the latter.

The Concept of Value Should Be in Keeping With the Current Reform

Since the guidance of a correct concept of value is indispensable to reform, how should our concept of value be adapted to the needs of reform? First of all, we should continue to change the situation in which both economic and material values are underestimated.

Things in the world are numerous and complicated and so it is with value. From the viewpoint of the unity of the property of things and subjective needs, things in the world can be classified into various categories. The so-called economic value and political value or the material value and spiritual value are two aspects which are inter-related. Previously, we put one-sided emphasis on the political value to the neglect of the economic value and stressed the ideological and moral value but despised the material value and consequently, these two aspects could not be developed fully. Following the 3d Plenary Session of the 11th CPC Central Committee, the CPC Central Committee set the task of giving top priority to economic work, stressing the importance of improving the material life of the people and things have changed significantly since then. Due to the influence of "leftism," the phenomena in which both economic and material values are underestimated can still be seen everywhere. Not long ago, some art and literature and publishing departments concentrated on profits to the neglect of the quality of spiritual products. It is highly necessary to criticize this phenomenon. Not only in producing spiritual products, but also in producing material products, we should pay attention to their quality and consider their social and political effects.

However, the formulation of "be publishers and not publication merchants" raised to counter the situation in which the quality of spiritual products is neglected, is a bit too partial and is thus open to question. In accordance with this formulation, it seems that all "publishers" are necessarily noble and all "publication merchants" are certainly humble. The key to this question lies, in fact, in what "ism" they serve. If it is justified to be proletarian publishers, why it is not justified to be socialist publication merchants then? I think it would be better to say. "Be both publishers and publication merchants." This is because practicing business accounting in cultural units does not necessarily mean not publishing valuable but not profitable books and not performing valuable but not profitable plays. Some money-losing "businesses" exist in the capitalist society where profit-making is put first, not to say in the socialist society where first priority is given to the service of the people. The problem is that we should not take pride in losing money in business transactions and be ashamed to make money, and should not totally discard business accounting.

Second, we should stress changing the situation in which -- in terms of spiritual value -- ideological and moral value is given one-sided stress while intellectual value is neglected.

These two aspects of spiritual value are, in reality, originally mutually permeable, each promoting the other. Without a high level of cultural and scientific knowledge, it will be impossible to build a high level of socialist spiritual civilization. With the development of the times and the advent of an information society, the value of cultural and scientific knowledge is becoming more and more pronounced. The assertion that sets intellectual value against ideological and moral value, argues that those who are more knowledgeable are necessarily ideologically backward and morally humble, and easily affirms that intellectuals should be assessed as "a few at each extreme and many in between" (namely, those who firmly believe in or are opposed to Marxism-Leninism are a few but those who waver in and doubt Marxism-Leninism are many) is, in itself, an infantile disorder of "left-wingers" who lack knowledge.

Third, we should stress enhancing the sense of the concept of value concerning time and efficiency.

We used not to value our time. Time is, in fact, the most precious valuable. There is an old saying which says: "Time is as precious as gold." This is true all the more today when science and technology are advancing by leaps and bounds. Why do some people shake their heads in disapproval when learning of the slogan of "Time is money and efficiency is life," which was raised by the Shenzhen Special Economic Zone? Is there not any need for them to examine their sense of time? Without a correct concept of value concerning time and efficiency, you cannot begin to talk about reform and about seizing the opportunity to keep abreast of the current new global technological revolution.

In addition, when reshaping our concept of value, we should also properly handle the relationship between various values and between the value of the whole and the partial, and look at a certain value with an eye on the course of its development. For example, from the value of the partial, the introduction of the policy of opening to the outside world may bring in some unfavorable elements and increase the possibility of an inrush of capitalist influence but from the fundamental interests of the proletariat and the broad masses of people, it can promote the "four modernizations" program and speed up the pace of the building of socialism with Chinese characteristics. Again for example, in implementing the principle of distribution according to work done, we should stress the principle of material benefits and moreover, the more accurately the better. However, when we come to the issue of moral value, we should put other people's interests before our own and be selfless rather than pay attention to trifling amounts.

These two concepts of value should coordinate and not negate each other. If we use moral value to negate the principle of material benefits in distribution, this will result in the practice of everyone "eating from the same big pot" and even stir up the "communist wind," and will eventually make the originally correct moral propaganda become mere preaching. Moreover, if we use the distribution principle to negate moral value, egoism will spread unchecked and at last we will find it difficult to implement the principle of distribution according to work done. Therefore, only when the two are coordinated can the principle of material benefits be implemented and can communist morality be cultivated.

The substance of a certain value changes continuously. People's concept of value should change continuously with the development of society. For instance, as a noble moral character, the style of plain living and hard struggle cannot be considered outmoded. However, today when production has developed considerably if we still interpret the style of plain living and hard struggle as eating plain noodles and wearing patched garments, this will be entirely out of keeping with the times. This is because consumption is originally an important factor in production. Without production, there will naturally be no consumption but without consumption, there will similarly be no production. If people do not consume what has been produced, how can production continue to expand? Is our aim in developing production not to raise the standard of people's material lives?

BEIJING RADIO ON NEGATING CULTURAL REVOLUTION

OW040136 Beijing Domestic Service in Mandarin 2315 GMT 2 Nov 84

[Answers by (Zhong Zi) of the station's Theoretical Editorial Department to listeners' questions on negating the Great Cultural Revolution -- recorded]

[Excerpts] Some listeners have written to ask us why the theory of continued revolution under the dictatorship of the proletariat was wrong and why it should be completely negated.

The so-called theory of continued revolution under the dictatorship of the proletariat was the guiding ideology of the Great Cultural Revolution. It was the core of the series of theories for initiating the Cultural Revolution and for the summation of the wrong practice in that revolution. According to this theory, after the proletariat seized power and established a socialist system in our country, there still existed a bourgeois class within the party, and the principal contradiction remained that between the proletariat and the bourgeoisie. Since a considerable amount of the political power had been usurped by the capitalist-roaders within the party, the proletariat and the working people were still required to carry out a great political revolution by which one class would overthrow the other. Those to be overthrown in the revolution were the so-called capitalist-roaders in power within the party. In fact, however, such a great revolution had neither an economic nor a political basis in our country. In itself, the previously mentioned theory completely violated the fundamental tenet of Marxism-Leninism. It departed from the track of Mao Zedong Thought and from the social reality of our country. For this reason, we say that this theory is radically wrong.

Some listeners have written to us, pointing out that in the decade of the Great Cultural Revolution we built the Chang Jiang bridge at Nanjing, launched artificial satellites, and made some progress in industrial and agricultural production. They doubted that the Great Cultural Revolution had no advantage at all. How should we see this question?

The comrades who raised this question actually equated the Great Cultural Revolution itself with the time this revolution was carried out. As we just said, the Great Cultural Revolution had a specific meaning; that is, it was a great political revolution in which one class overthrew the other. Certainly, we did score some achievements in economic construction and scientific research in the decade of the Great Cultural Revolution, but such achievements did not result from that revolution. Even less should credit go to Lin Biao and the gang of four.

Some listeners' letters asked us why it is necessary to totally negate the Great Cultural Revolution in order to thoroughly eradicate factionalism.

This is because factionalism is a product of the Great Cultural Revolution. This can be seen very clearly from the course of the engendering and the development of factionalism. Even though it has been almost 8 years since the Great Cultural Revolution ended, even today the pernicious influence of factionalism has as yet to be eliminated.

What are the manifestations of factionalism at present? What are their harmful effects?

After the smashing of the gang of four and especially since the 3d Plenary Session of the 11th CPC Central Committee, the problem of factionalism has been considerably lessened, thanks to efforts made in all fronts to eliminate chaos and restore order and the hard work of ideological education. However, factionalism -- a product of the decade of turmoil -- has not yet been overcome among some party members, masses, and cadres. Factionalism is now expressed in a relatively covert way. Its main manifestations are as follows:

One manifestation of factionalism is that ideologically and emotionally some comrades keep no secrets from those of the same faction. They even go against the principle of the organization to divulge the organization's resolutions and confidential party matters. On the other hand, those who did not belong to the same faction in the past are still incompatible with each other. They guard against each other and engage in disputes, either overtly or covertly.

Another manifestation is the style of forming covert relations on the basis of factionalism. Those of the same faction in the past provide conveniences and favors to each other and utilize each other for seeking personal gains. If they were not of the same faction in the past, they argue back and forth and cannot cooperate at all. In a few places where factionalism is serious, new cadres are troubled and pushed aside and cannot work smoothly under the influence of factionalism.

Still another manifestation is that in dealing with organizational matters and in implementing the cadre policy, some comrades protect their own people and use their faction as the line of demarcation. They appoint people by favoritism and elbow out of the way those not belonging to their faction. In addition, when adjusting the wages, deciding job titles, and assigning housing, some comrades also proceed from factionalism.

Factionalism has many detrimental effects. In the first place, it weakens party spirit, slackens party organization, and greatly reduces the party's fighting strength. Second, it affects the implementation of the party's line, principles, and policies. Because of factionalism, some people take no account of the overall interests of the party and the state, but proceed from the interests of their own factions.

They overtly agree with the party's policies while covertly opposing them, thus undermining stability and unity and exerting an adverse effect on the implementation of the party's tasks. In addition, factionalism hinders the work of clearing out the three types of persons and building the third echelon of leading cadres. Without the liquidation of the three types of persons, it will be impossible to choose appropriate cadres for the third echelon, or even the three types of persons will be chosen for training as third-echelon cadres.

The above indicates that it is necessary to totally negate the Great Cultural Revolution in order to thoroughly eliminate factionalism. This is the only way to proceed smoothly with our program of the four modernizations.

NEGATING SLOGAN 'WORKING CLASS OVER EVERYTHING'

HK021302 Beijing RENMIN RIBAO in Chinese 30 Oct 84 p 5

["Extracts" from ZHONGGUO JIAOYU BAO [CHINA'S EDUCATION] article: "Understand Anew the Concept of 'Working Class Leadership Over Everything'"]

[Text] Since the beginning of this summer, the Rear Services Party Committee [Hou qin dang wei 0683 0530 8093 1201] of Qinghua University, in organizing party rectification study programs for party members and workers, has paid attention to two problems with relatively deep influence -- the slogan "working class leadership over everything" in the "Great Cultural Revolution" and an erroneous concept about intellectuals -- in carrying out targeted education on the total negation of the "Cultural Revolution" and getting rid of "leftist" influences. Relatively marked results have been achieved. The masses of party members and workers have generally come to understand the following:

This slogan "working class leadership over everything" was put forth given the specific historical "Cultural Revolution" situation. Its ensuing consequences were serious theoretically and in practice. The "workers propaganda team" and the "Army propaganda team" stationed at the university cried out every day: "Working class leadership over everything." This actually meant themselves being in leadership over everything." They set working-class leadership in opposition to party leadership, the working class in opposition to intellectuals, and factories in opposition to schools, which basically ran counter to working class interests. The "workers propaganda team" and the "Army propaganda team" became "privileged figures" placed above the party and the masses, freely persecuting intellectuals, interfering in education, scientific, and research work, destroying laboratory equipment and turning institutes of higher learning into "bases" for a ruthless campaign of struggle against "capitalist-roaders" and actions against intellectuals.

Working class leadership must be realized through party leadership. The party members and workers on the rear service front should actively and energetically support the firm implementation of the policy toward intellectuals, wholeheartedly do a good job in a rear-service work and contribute to the training of a greater number of skilled personnel of better quality.

OIL PRODUCTION TO QUADRUPLE BY YEAR 2000

HK060342 Beijing CHINA DAILY in English 6 Nov 84 p 3

[By staff reporter Wang Tongtai]

[Text] China is aiming to quadruple its oil production by the year 2000. Yao Weiguo of the Oil Industry Ministry said the Third Plenary Session of the Twelfth Central Committee had announced that energy resources and transport should be developed.

Oil was one of the most important energy resources, he said. China currently produces 110 million tons of oil a year. By the year 2000, it will produce 400 million tons annually. To meet this target, oilfields in the eastern and southern coastal areas will be developed, as will new oilfields in Yunnan, Xinjiang, Qinghai and Shanxi.

China will also seek foreign investment. The Bohai, South China, and Yellow Seas have not yet been explored for oil and many countries are interested in exploiting the areas. Britain, which is one of the countries interested in co-operating with China, has been holding a photographic exhibition about its oil industry in Beijing. Britain's oil industry has developed fast in the last few years. In 1974, it produced 1.74 million tons of oil while in 1983 it produced 113 million. The exhibition, sponsored by the Chinese Petroleum Association and the British Cultural Commission, illustrated Britain's oil prospecting and exploitation technology. The British hope to contact Chinese enterprises and co-operate in their oil industry. The exhibition is to go to the Daqing oilfield. Shanghai, Guangzhou, Wuhan and Tianjin.

GRAIN HARVESTS IMPROVE; BETTER GRAIN DEMANDED

HK060406 Beijing CHINA DAILY in English 6 Nov 84 p 4

[Text] The Chinese are demanding better-quality grain to eat as harvests improve, according to a signed article in the ECONOMIC DAILY.

It says the country has reaped bumper harvests for five successive years. Last year, the total grain yield was 387.3 million tons, 82.5 million tons more than in 1978, and an average increase of 4.9 percent annually. The expected yield this year will be more than 400 million tons, another record.

The harvests have solved the food problem which troubled China for centuries. But a new problem is that as people become more conscious of eating nutritious food, they want better grain. Last year the average quantity of heat absorbed from food was 2,877 calories per person per day. Protein was 82.8 grammes, and fat 47.2 grammes. The figures show that Chinese people no longer lack good food.

Eating habits are at a turning point. People are now demanding better and more diversified food, especially nutritious things like meat, eggs, milk, fish and poultry. This trend is having a great impact on the traditional food production and consumption pattern. The old methods, established simply to meet the demand of more grain production, is now insufficient to cater for a more discerning consumer market.

Other sectors of production, such as storage, transport and processing, need changing. Grain production needs to be diversified so that instead of merely pursuing quantity, it can supply more varieties of grain.

Though grain is now abundant, many quick-sale varieties are always in short supply. This problem should be resolved. Also, the pricing policy is inadequate, and readjustment is necessary. The government purchasing price for farm products has long been guaranteed. It was subsidised by the government regardless of the market change.

The situation improved substantially after the purchasing price of agricultural and food products was raised in 1979, while the retail price was kept lower than it should have been. But government support for retail food prices, although in the interest of consumers, is very burdensome, and the price still does not reflect the true market price. This will impede the development of better grain.

Nonetheless, changes in consumer habits should be encouraged. Rising incomes are a vital factor in encouraging rural people to consume better grain. This will also present a new challenge to China's food processing industries.

NIE RONGZHEN ARTICLES REEXAMINE LIN BIAO

1979 Circular Reverses Verdict

OW041331 Nanjing XINHUA RIBAO in Chinese 20 Oct 84 p 3

[Fourth in series of articles by Nie Rongzhen: "Several Questions Concerning Lin Biao"]

[Text] On 7 April 1968, I wrote a letter to Comrade Mao Zedong, stating my view on Comrade Yang Chengwu and my experience in working with him in the past. In that letter I also asked that I be allowed to have a personal talk with Comrade Mao Zedong. On 10 April Comrade Zhou Enlai had his secretary tell me over the phone that Comrade Mao Zedong had put these words on my letter: "Comrade Rongzhen: Your letter has been received received. Please feel at ease while you are recuperating. Don't trust any rumor." After hearing this, I came to realize that what Lin Biao did was not because of Comrade Mao Zedong's intention. Shortly afterward, Comrade Mao Zedong said to me personally: Speaking of Yang Chengwu's behind-the-scenes backer, I am the first one, and you are only the second.

On 16 April, I visited Lin Biao and asked him: "What is wrong with Yang Chengwu? Why should he be knocked down? Lin Biao prevaricated and said: "Yang Chengwu does not come to see me." This implied that Yang Chenwu was not so obedient. I said: "He does not come to see you, but you are the vice chairman. A telephone call will bring him here." I felt it was ridiculous that this was used as a reason for knocking down a person. This matter indicated that the "Yang, Yu, and Fu Incident" they had engineered single-handedly was entirely untenable.

On 21 December 1973, Comrade Mao Zedong told the participants in a Military Commission meeting that the "Yang, Yu, and Fu Incident" was a mistake concocted by Lin Biao. In July 1974, Comrade Mao Zedong personally approved the rehabilitation of Comrades Yang Chengwu, Yu Lijin, and Fu Chongbi and the restoration of their fame. Shortly after this, they were freed and resumed their work. In March 1979, the central authorities issued a special document to publicly change the verdict on the "Yang, Yu, and Fu Incident."

In connection with the "Yang, Yu, and Fu Incident," I have to mention that during the "Great Cultural Revolution" the two counterrevolutionary cliques of Lin Biao and the "gang of four" whipped up repeated high tides in opposing and criticizing the so-called "north China mountain stronghold mentality," subjecting many cadres to persecution and unfair treatment. This matter had a widespread and long-lasting pernicious influence. In particular, its detrimental effect on the unity within the party should not be underrated. At the beginning, Lin Biao attached Yang Chengwu's so-called "Shanxi-Chahar-Hebei mountain stronghold mentality." Then, at a central meeting on northern China held in early 1971, when Jiang Qiang went all out to accuse Comrade Zheng Weishan, she said: "The north China mountain stronghold mentality has its history." "There are numerous basic elements, one after another, from Nie Rongzhen and Yang Chengwu to Zheng Weishan and Fu Chongbi." "It is the evildoers who are in power." Further, she vilified me as a man who had "advocated mountain stronghold mentality since 1937" and as the "sinister behind-the-scenes backer" of the "north China mountain stronghold."

Prior to the "13 September" incident, the "gang of four" said that the "north China mountain stronghold" was opposed to Lin Biao. After the "13 September" incident, the "gang of four" changed their words overnight and alleged that the "north China mountain stronghold" closely followed Lin Biao, and that the Beijing Military Region was "a den for the mountain stronghold mentality built up after many years of effort by the Lin Biao and Chen Boda antiparty clique." This was precisely an example of what is described by the proverb that if you want to condemn someone, you can always trump up a charge!

Of course, all these were past events in history. In December 1979, the party Central Committee issued a "Circular of the CPC Central Committee on Reversing the Verdict on the So-Called 'North China Mountain Stronghold Mentality'" in the form of a central document. The question was thus clarified, but it is very hard for the pernicious influence caused for a long time by Lin Biao and the "gang of four" to disappear all at once.

Why did Lin Biao and the "gang of four" make such a great effort to make accusations on the so-called "north China mountain stronghold mentality"? The reason was very simple. The Beijing Military Region holds an important geographic position. It is where the capital is located. To usurp party leadership and state power, they could not feel at ease unless they seized the Beijing Military Region's military power.

As a matter of fact, since I was not concurrently in charge of the work of the north China Military Region, I have never bothered about its work. It is true that sometimes my old subordinates working in the Military Region have come to see me, but I have never told them how to do the work there. "One who is not in the right position should not make plans" -- this is the way I always follow. There are a comparatively large number of the former north China cadres (including some leading cadres) working in various organizations of the Beijing Military Region. This is an objective reality resulting from history. I think that this is also the general situation of cadres in other military regions. The question is not the number of cadres from a particular area. Instead, it is whether these cadres are really practicing the mountain stronghold mentality or sectarianism. I believe that all former cadres from the north China area working in the Beijing Military Region can take the whole situation and overall interests into consideration. It is also my hope that all cadres of the Beijing Military Region, both old and new, are not subjected to sectarianism. They should pay particular attention to closing their ranks and join together, despite where they are from, to achieve success in building the Beijing Military Region under the leadership of the CPC Central Committee and the party committee of this military region. They should take concrete action to eradicate the pernicious influence caused for a long time by Lin Biao and the "gang of four" and to give a counterblow to the slander by these to the clique of the so-called "north China mountain stronghold mentality."

Cultural Revolution Criticized

OW050434 Nanjing XINHUA RIBAO in Chinese 21 Oct 84 p 4

[Fifth in series of articles by Nie Rongzhen: "Several Questions Concerning Lin Biao"]

[Text] The So-Called "February Adverse Current"

The "Resolution on Certain Questions in the History of Our Party Since the Founding of the PRC" adopted by the 6th Plenary Session of the 11th CPC Central Committee made a correct conclusion on the question regarding the "February adverse current:"

"Around February 1967, at various meetings, Tan Zhenlin, Chen Yi, Ye Jianying, Li Fuchun, Li Xiannian, Xu Xiangqian, Nie Rongzhen, and other Political Bureau members and leading comrades of the Military Commission of the Central Committee sharply criticized the mistakes of the 'Cultural Revolution.' This was labeled the 'February adverse current,' and they were attacked and repressed. Comrades Zhu De and Chen Yun were also wrongly criticized." Obviously this was another case of great injustice fabricated by Lin Biao and the "gang of four" during the "Great Cultural Revolution."

The major indications of this incidence were the so-called "two commotions," namely the "Huairan Hall commotion" and the "Jingxi Guesthouse commotion." Of course these two so-called "commotions" were only the outbreaks the conflicts that had been brewing. At that time we considered certain things in the "Great Cultural Revolution" wrong. For instance, by establishing nationwide ties, the Red Guards disrupted normal social order. They called on the people to "make rebellion" everywhere they went, thereby causing declines or even stoppages in the production in plants and rural areas. Leading organs at all levels were unable to operate normally. Particularly noteworthy was the fact that Lin Biao and the "gang of four" wanted to overthrow all veteran cadres who had been fighting with us all along. We knew each other very well. We could never agree to vilifying them as renegades and special agents. Later on, Lin Biao and the "gang of four" kindled the flames of the "Great Cultural Revolution" in the Army in an attempt to disrupt it. They first used the Red Guards to create trouble and then turned around to punish them, labeling them counterrevolutionaries. Many people were arrested. Instigated by them, armed struggles were rampant throughout the nation, inflicting serious losses on the people's lives and property. The motherland was in a serious crisis. In fact of these problems, all upright Communist Party members could not help but anxiously ponder deeply and worry about the nation's future.

Beginning in early February 1967 and in order to promptly handle the major problems arising from all quarters throughout China during the "Great Cultural Revolution," the Central Committee decided that the Standing Committee members of the Political Bureau would meet every 2 or 3 days. The meetings would be presided over by Comrade Zhou Enlai. Responsible persons of all departments concerned were also to attend the meetings, the conflicts grew more acute between the veteran comrades and members of the "Cultural Revolution faction." This eventually led to the violent struggle of the so-called "Huairan Hall Commotion" on 16 February.

The meetings at the Huairan Hall were interesting enough. Comrade Zhou Enlai, who presided, would naturally sit at the far end of the conference table. Comrades Chen Yi, Ye Jianying, Xu Xiangqian, Li Fuchun, Li Xiannian, Tan Zhenlin, Yu Qiuli, and Gu Mu and myself would naturally sit on one side of the table, while Chen Boda, Kang Sheng, Zhang Chunqiao, Yao Wenyuan, Wang Li, Guan Feng, Qi Benyi, and other members of the so-called "Cultural Revolution faction" would flock together and sit on the other side of the table. This was truly demonstrative of the "sharp distinction of each other's positions when two rival armies meet."

Early on, at meetings before 16 February, Comrade Ye Jianying said to the gang of Chen Boda sitting on the opposite side of the table: You have messed up the party, the government, and the factories. Yet it seems you have not done enough and now you are trying to create trouble in the Army. What do you plan to do? Comrade Xu Xiangqian also said excitedly: The Army is the pillar of the dictatorship of the proletariat. You create trouble in the Army. Do you still want this pillar or not? Do you mean we are incompetent and people like Kuai Dafu should be called to command the Army?

Comrade Li Fuzhun had been helping Comrade Zhou handle matters related to production and other day-to-day work and had frequently studied the latest developments with some vice premiers. Hang Sheng called him the "director of the antiparty club" to his face. Comrade Fuchun said: If I do not handle this work, the pressure on Premier Zhou would be greater. Now that you have mentioned it, I will form a task force to look into the matter. At the meeting, I also told them: You refer to the children of cadres and many young people as members of the Capital Red Guards Joint Action Committee, saying they are counterrevolutionary conservatists, attacking and persecuting them, and allowing other young people, who do not understand the true situation, to criticize and struggle against them. Some people were even jailed. This kind of "punishment without warning" is extremely wrong. You should not, for the sake of overthrowing a person, ferret out his children for criticism, incriminate his family members, cruelly persecute veteran cadres, and drop stones on somebody who has fallen into the well. This is simply vicious.

Veteran Comrades' Role Viewed

OW050728 Nanjing XINHUA RIBAO in Chinese 22 Oct 84 p 3

[Sixth in series of articles by Nie Rongzhen: "Several Questions Concerning Lin Biao"]

[Text] On the afternoon of 16 February in 1967, Comrade Zhou Enlai once again convened a brief meeting at Huairentang. The purpose of the meeting was to discuss questions on "grasping revolution and promoting production."

When Comrade Tan Zhenlin asked Zhang Chunqiao and Yao Wenyuan to tell related mass organizations in Shanghai to protect Comrade Chen Pixian, Zhang Chunqiao refused on the spot with an excuse that he had to consult with the masses. Comrade Tan Zhenlin said angrily: What masses? Always talking about the masses; what about the party's leadership? Always letting the masses liberate themselves without the party's leadership is metaphysical. Your goal is to get rid of the veteran cadres and strike them down one by one. What kind of people are those like Kuai Dafu? They are counterrevolutionaries and "clowns." Those fellows want to strike down all the veteran cadres. This is the most cruel struggle in the history of the party, exceeding all the previous struggles. After saying those words, Comrade Tan Zhenlin said he would struggle through to the end even if he would be put into jail or dismissed from the party. He was very excited and firm at that time and was clear-cut on the cardinal issues of right and wrong.

Comrade Chen Yi said: Those fellows have now assumed power to practice "revisionism." In Yanan, some people outwardly supported the chairman, but they actually opposed him. Shortly after the death of Stalin, Khrushchev usurped power. Doesn't he go all out to attack Stalin? We will continue to watch and prove his behavior. These words apparently hinted at Lin Biao and hit his weakest point.

Comrade Yu Qiuli also said: How can they treat veteran cadres like that? I will not make self-examination if the so-called rebel faction of the Planning Commission does not apologize to me.

Comrade Li Xiannian said: Now they are obtaining confessions by compulsion and giving them credence throughout the country. How can "Joint Action" [Lian Dong 5114 0520] be considered a reactionary organization? Are those 17- or 18-year-old youngsters counterrevolutionaries? Since the publication of the editorial in the 13th issue of HONGQI, the struggle between the two lines has been going on among the masses on a massive scale, and all veteran cadres have been attacked.

At that time, Comrade Zhou Enlai critically asked Kang Sheng: Did you see that editorial? Why didn't you ask us to look at it, for this is such a great thing.

After the brief meeting, Zhang Chunqiao, Yao Wenyuan, and Wang Li rearranged the remarks made by the veteran comrades, and recorded the situation of the meeting on the same day, and later lodged a complaint against those veteran comrades with the higher authorities.

In April, 2 months after the brief meeting, a Standing Committee meeting of the Military Commission was held at the Jingxi Guesthouse. The participants were very angry when mentioning the situation in which the homes of a number of senior military cadres were searched, their safes forcibly opened, and many top secret documents stolen. Some comrades banged the table. This was the so-called "raising a tumult at the Jingxi Guesthouse."

Since then, the days of us veteran comrades had become tougher and tougher. Lin Biao, the "gang of four," and their company instigated and maneuvered various mass organizations to topple, attack, and haggle with the veteran comrades daily and obstruct their normal duties. As a result, the veteran comrades could not develop their role in political life at that time. This was precisely what was hoped.

There was a brief interlude at that time. Kang Sheng once talked about the "adverse February current" at a meeting and said: The "adverse February current" attacked the daring vanguards. We now talk about Tan Zhenlin, but actually it is not Tan Zhenlin. It is Ye Jianying. Ye Jianying talks about "punishing without first educating the people" [bu jiao er zhu 0008 2403 5079 6121] and he directly unveiled the prelude to the struggle. Comrade Ye Jianying was surprised at hearing this. He told me that he did not say "punishing without first educating the people." I told him that I said "punishing without first educating the people," and I was surprised that he was charged for this. Later, I wrote a letter to the Central Committee to clarify the matter.

In October 1968, the 12th Plenary Session of the 8th CPC Central Committee was convened in Beijing. Lin Biao, the "gang of four," and their company were not reconciled to the situation that some veteran comrades although they stepped aside and stopped performing duties actively were still not toppled as many genuine Communist Party members and revolutionary masses protected them. What was more important was that although they did their best to create rumors about and slander veteran comrades and constantly lodged complaints with Comrade Mao Zedong, Comrade Mao Zedong refused to give them approval to strike down those veteran comrades. In this way, Lin Biao, the "gang of four," and their company were convinced that the veteran comrades were still their major obstacle in usurping the party and state power. Accordingly, at the 12th Plenary Session of the 8th CPC Central Committee, they ganged up to launch a planned general attack against the veteran comrades.

With their careful arrangements, the veteran comrades were organized in different groups. Lin Biao and his company, the "gang of four," and Kang Sheng and his company acted in unison, instigated trouble in various groups, made suggestions and set tones, launched ruthless attacks and struggle against veteran comrades, and went all out to obtain confessions by compulsion and gave them credence. They created rumors to slander veteran comrades, fabricated many so-called "facts," and obstinately pushed us into the net of "antiparty clique."

NANJING MILITARY LEADER NEGATES 16 MAY CIRCULAR

HK060249 Beijing WENZHAI BAO in Chinese No 159, 19 Oct 84 p 1

[Report summarized by Xiao Bo: "Investigation of 16 May Circular Was Completely Wrong"]

[Text] According to JIEFANGJUN BAO, speaking on the errors in "supporting the left," Nanjing Military Region Commander Xiang Shouzhi and Political Commissar Guo Linxiang said: The so-called investigation of the 16 May Circular was not a question of "taking things too far" but was completely wrong. In the course of "supporting the left," a number of urban residents and cadres were sent down to the countryside, causing very great difficulties to their livelihood. The Military Region CPC Committee has apologized to those comrades who were investigated and sent down, and to their families.

SHANGHAI ENCOURAGES MAKERS OF BRAND PRODUCTS

OW060813 Shanghai City Service in Mandarin 1300 GMT 5 Nov 84

[Text] The Shanghai Municipal Personnel Bureau recently adopted a three-point decision on giving preferential treatment to units producing famous brand products. First, they can make a direct request to the municipal Economic Commission or the municipal Personnel Bureau for badly needed professional personnel or technicians. Second, they may directly seek advice from the municipal Personnel Bureau concerning their personnel policy. Third, those technical cadres who have made contributions to the production of famous brand products but whose spouses are not living with them, will be given priority in having their problems solved.

WANG FANG DELIVERS REPORT AT ZHEJIANG MEETING

OW011001 Hangzhou Zhejiang Provincial Service in Mandarin 0400 GMT 1 Nov 84

[Text] Zhejiang's provincial organs held a mobilization meeting at the Great Hall of the People this morning. The meeting urged all party members and cadres in the province to warmly respond to the call of the 3d Plenary Session of the 12th CPC Central Committee, study conscientiously the CPC Central Committee's Decision on Reform of the Economic Structure, plunge into the mighty torrent of reform, and be promoters of the current reform. It encouraged them to work seriously and effectively with full confidence and courage and make the reform successful in an all-round way.

The meeting was presided over by Chen Fawen, deputy secretary of the provincial CPC Committee.

Wang Fang, secretary of the provincial CPC Committee, delivered a report at the meeting. His report is divided into the following four parts:

1. The 3d Plenary Session of the 12th CPC Central Committee has greater historic significance.
2. The Decision on Reform of the Economic Structure adopted at that session has greatly enriched the Marxist political economy and made major theoretical breakthroughs.
3. Strengthen our confidence and courage in reform.
4. Conscientiously study the decision and make the reform successful in an all-round way.

Governor Xue Ju addressed the meeting which was attended by more than 2,000 party members and cadres from provincial organs.

GUANGDONG PEOPLE'S CONGRESS COMMITTEE MEETS

HK051456 Guangzhou Guangdong Provincial Service in Mandarin 1000 GMT 5 Nov 84

[Text] The 10th meeting of the 6th provincial People's Congress Standing Committee opened in Guangzhou today. This meeting will last for 5 days. The main topics of the meeting are to discuss and examine the draft regulations on taking over land and demolishing houses for state construction in Guangdong Province; to listen to explanations about some draft regulations on protecting the legitimate rights and interests of women and children in Guangdong Province; to listen to a report by the provincial People's Government on educational reform and development; to listen to reports by the provincial People's High Court, the provincial People's Procuratorate, and the provincial Public Security Bureau on hitting hard at criminal activities and a report by the provincial Judicial Department on transforming criminals; and to discuss and examine suggestions on handling proposal No 12 of the second meeting of the sixth provincial People's Congress and the proposal for improving the methods of preserving rice supplied to urban residents.

This morning's meeting was presided over by Luo Tian, chairman of the provincial People's Congress Standing Committee. In order to enable all members to better study and grasp the sense of the 3d Plenary Session of the 12th CPC Central Committee, the meeting especially invited Comrade Lin Ruo, secretary of the provincial CPC Committee, to deliver a relevant speech before discussing and examining the various items.

GUANGZHOU FACTORY INVIGORATED IN REFORM

HK051336 Guangzhou Guangdong Provincial Service in Mandarin 0400 GMT 5 Nov 84

[Excerpts] The experimental practice over the past 3 months of the system of directors assuming full responsibility within the Guangzhou No 1 Dyeing and Weaving Mill has proved that establishing the authority of leaders and giving play to the high sense of responsibility of workers and staff members as masters of the enterprises are the key to invigorating enterprises. Since the system of directors assuming full responsibility was adopted in July this year, great changes have taken place in the reform occurring in this factory. From August to October, its output value was 4.56 million yuan, an increase of 60 percent over the same period last year, and the profits earned reached 430,000 yuan, an increase of 103 percent.

In organizing the new leading body, the director of the Guangzhou No 1 Dyeing and Weaving Mill announced that a new form of direct leadership will be adopted at all levels in this factory. Except for the weaving workshop, which has 500 workers and staff members, there will be no deputy positions for the other 5 workshops or at the level of administrative or technical offices. While establishing the authority of enterprise leaders, the factory has also paid attention to giving play to the sense of responsibility of workers and staff members as masters of their own houses and guiding them to be concerned with the operation and effectiveness of their factory. As a result, a new situation has been created in which the workers are vying with one another to do more work and make more contributions, and they are concerning themselves with the efficiency and output of their production.

Station Commentary

HK051344 Guangzhou Guangdong Provincial Service in Mandarin 0400 GMT 5 Nov 84

[Station "short" commentary: "This Is Where the Wellspring of Vitality for the Enterprises Lies"]

[Text] The decision of the CPC Central Committee of reform of the economic structure clearly points out that the key to restructuring the national economy is to invigorate enterprises.

How do we invigorate the enterprises? We must mainly solve two problems satisfactorily: 1) to establish the authority of the enterprise's leadership; and 2) to safeguard the status of the workers and staff members as masters of their own houses. Modern enterprises call for centralized and unified leadership and direction of production as well as strict labor discipline. Thus, only by establishing the authority of the enterprise's leadership can we carry out production in a systematic fashion. Under socialism there is unity between the authority of the enterprise's leadership and the status of the working people as masters of the enterprise. While establishing the authority of the enterprise's leadership, it is also necessary to correctly handle the relationship between the workers and the enterprise so that all working people can really act as masters of the enterprise in their posts. This is a prerequisite for bringing the initiative of the working people into effective play. As the Guangzhou No 1 Dyeing and Weaving Mill has correctly handled the relationship between the two, a good atmosphere has been created in which everyone has concerned himself with the operation and effectiveness of the enterprise and is paying attention to the efficiency and output of production and is striving to make greater contributions. The effort of making the workers and staff members masters of the enterprise and bringing their initiative, enthusiasm, and creativity into full play is the true wellspring of vitality of the enterprise.

GUANGXI LEADER SPEAKS AT TRADE UNION CONGRESS

HK051512 Nanning Guangxi Regional Service in Mandarin 1130 GMT 4 Nov 84

[Excerpts of a speech by Comrade Wei Chunshu, deputy secretary of the Guangxi Regional CPC Committee and chairman of the regional People's Government, at the sixth regional Trade Union Congress]

[Text] Comrade Wei Chunshu said: While the whole country is studying and implementing the spirit of the 3d Plenary Session of the 12th CPC Central Committee, our 6th regional Trade Union Congress has triumphantly opened. This congress will play a very great role in pushing forward the mobilization and organization of all the workers of all nationalities throughout the region in seriously studying and implementing the spirit of the 3d Plenary Session of the 12th CPC Central Committee, the acceleration of the restructuring of our region's national economy as a whole with a focus on the urban economy, and the creation of a new situation in the workers' movement and trade union work in our region. On behalf of the regional CPC Committee and the regional People's Government, I extend warm greetings to the congress and cordial regards and lofty respects to all delegates attending the congress and to the workers and trade union workers who have been working hard for the four modernizations.

The 3d Plenary Session of the 12th CPC Central Committee was another party meeting of important historical significance and of far-reaching influence. The decision of the CPC Central Committee on reform of the economic structure, which was adopted by the session, is a programmatic document for guiding reform of our nation's economic structure and is a document of important historical significance. Trade unions at all levels must regard the organization of the workers in studying and implementing well the spirit of the 3d Plenary Session of the 12th CPC Central Committee as their major duty and as their current important task. They must lead the workers to bravely stand in the forefront of reform and must give full play to the role of the working class as the main force in the course of reform.

The restructuring of the national economy as a whole, with the focus on the urban economy, is more extensive than the restructuring of the rural economy in scope and is more complicated in content. It includes not only the Departments of Industry, Commerce, and the service trades, but also the Departments of Science, Technology, Education, Culture, and more. It involves many aspects of production relations, the superstructure, and the personal interests of the cadres and the masses. This reform is certainly no easy job. It will surely encounter various difficulties and obstacles which will first come from the leftist influence, conservative ideas, force of habit, the small-scale peasant economy, and so on. While leading the workers to carry out reform, trade unions at all levels must therefore seriously eliminate the influence of leftist ideas, must break with the shackles of all traditional concepts and of the old forces of habit which hinder reform, must foster new ideas and new concepts which suit the new situation, and must unify the thinking of the workers and the masses on the basis of the spirit of the 3d Plenary Session of the 12th CPC Central Committee.

The decision of the CPC Central Committee on reform of the economic structure points out that it is necessary to establish correct relations between workers and enterprises and to guarantee the workers' role as masters of the enterprises. This is one of our socialist enterprises' important characteristics which cannot be ignored. In the course of carrying out reform of the economic structure, we must attach great importance to the role and functions of workers' congresses and must guarantee the workers' democratic rights to manage their enterprises and institutions.

A unit that implements a system of the factory director or manager assuming full responsibility must pay attention to embodying the status of the workers as masters of the enterprise. Through a workers' congress, we must exercise control in a democratic way. We must give full play to the enthusiasm of three parties -- a factory director, a CPC Committee, and a trade union, which should support and coordinate with each other. The factory director must exercise unified leadership over and must be completely responsible for production, management, and administrative work in the factory. The CPC Committee must hold itself responsible for leadership ideologically and politically and must guarantee and supervise production, operations, and administration. The trade union must regard the establishment of a good system of the workers' congress as the main point of its work, must give play to the role of the working structure of the workers' congress, and must guarantee the workers' democratic rights as masters.

A trade union is a link and a bridge which connects with the masses of workers. Moreover, it is also a protector of the personal interests of the masses of workers. The trade union must really represent and resolutely safeguard the workers' legitimate democratic rights and material interests and must do for the masses of workers whatever specific and good things it can. It must vigorously help and supervise the administrative departments to solve as far as possible the problems the workers urgently want solved and that can possibly be solved in current workers' ways of life. Further, we must mobilize workers to help each other and must do well in subsidizing workers who encounter difficulties in their way of life. It is imperative to unfold cultural and sports activities which are beneficial to workers mentally and physically. It is essential to do trade union's cultural, educational, and sports work well. We must justly and forcefully struggle with a clear-cut stand against the phenomenon of jeopardizing the workers' interests.

Reform of the economic structure is a profound revolution. It sets an even higher demand on workers. Building a modern force of workers in reform of the economic structure is an urgent task that confronts trade unions at all levels. Trade unions at all levels must further do well in conducting education for workers, must run well regular schools or sparetime schools of various kinds for workers, must endeavor to improve the ideological and political quality of workers and their scientific and cultural level, and must build a modern force of workers which has ideals, morality, and culture and abides by discipline.

A trade union is the mass organization of the working class itself and is a party's strong link connecting the masses of workers. It must be an important organization vested with duties and powers, which work independently and responsibly under party leadership. Under the influence of leftist ideas, some party organizations have abolished trade union organizations or have amalgamated them with other departments. This is extremely wrong. CPC committees and government departments at all levels must respect the rights of trade unions, must vigorously support them in their work, and must give full play to their active role in the course of reform.

Delegates and comrades: Under the guidance of the spirit of the 3d Plenary Session of the 12th CPC Central Committee, allow us to unite as one, inspire our enthusiasm, be determined to carry out reform, open up a new path and way to advance, and work hard to achieve the great aim put forward by the 12th National CPC Congress and for economic prosperity in Guangxi. We wish this congress success and our comrades good health!

GUANGXI EDUCATIONAL GUIDE PUBLISHED IN OCTOBER

HK051447 Nanning Guangxi Regional Service in Mandarin 1130 GMT 4 Nov 84

[Text] A new publication, INFORMATION ABOUT EDUCATIONAL REFORM, which was compiled by the Guangxi Educational Scientific Research Institute to convey information about educational reform, was published in October on an experimental basis and will now be officially issued to education workers.

INFORMATION ABOUT EDUCATIONA REFORM mainly coveys to education workers information about carrying out educational reform in schools at all levels and of various kinds in our country as well as some specific methods of how to carry out reform of the management system, and reform of education for nationalities, how to strengthen ideological education, how to carry out reform in teaching, and how to build the teaching force. The publication also contains foreign educational measures to greet the new technological revolution and more.

The Propaganda Department of the regional CPC Committee attaches great importance to this publication and has issued a written instruction that it must be issued throughout the country next year.

SICHUAN CPC COMMITTEE DISCUSSES 3D PLENUM SPIRIT

HK051424 Chengdu Sichuan Provincial Service in Mandarin 2300 GMT 4 Nov 84

[Text] According to SICHUAN RIBAO, an enlarged meeting of the Fourth Plenary Session of the Fourth Sichuan Provincial CPC Committee was held in Chengdu from 28 October to 2 November. It mainly conveyed, studied, and implemented the spirit of the 3d Plenary Session of the 12th CPC Central Committee. After hearing a report by Yang Rudai, secretary of the provincial CPC Committee, on conveying the spirit of the 3d Plenary session of the 12th CPC Central Committee, comrades attending the meeting concentrated on studying the relevant documents for more than 5 days. They intensively studied the spirit of these documents passage by passage and held lively discussions.

At the closing session, Nie Ronggui, deputy secretary of the provincial CPC Committee, delivered a speech on making further efforts to satisfactorily carry out party rectification. On behalf of the provincial CPC Committee Standing Committee, Comrade Yang Rudai delivered a concluding report.

Comrades attending the meeting were unanimous in support of the decision of the CPC Central Committee on reform of the economic structure. Through their study, they further came to understand the necessity and urgency of accelerating the restructuring of the national economy as a whole, with the focus on urban economy. They also acquired a fundamental idea about the orientation, nature, and tasks of the reform as well as their basic principles and policies, and they enhanced their consciousness, initiative and confidence in the reform. The study has inculcated in them a deep understanding about ideology and theory, and many problems that puzzled them for a long time have been clarified. Using this better understanding of the spirit of documents as a basis, comrades attending the meeting further broke with leftist influences and outmoded conventions by conscientiously linking their practical thoughts, thus reaching a common understanding on the central decision. Through discussions on the nature of socialism, they did away with the traditional idea that the economic structure carried out under certain given historical conditions is the only criterion for building socialism. They also came to understand that socialism with Chinese characteristics should have its own special power, which differs from the past rigid mold and is categorically different from capitalism. This has given them a profound scientific idea of socialism.

In his speech, Comrade Yang Rudai first summed up the positive results of the study made at the meeting and stressed the understanding of both developing the planned commodity economy and invigorating enterprises. He said: We should be in the right and feel confident in vigorously developing the socialist commodity economy. Not only should we firmly bear in mind that only socialism can save China, but we should know that only by vigorously developing a commodity economy based on public ownership can we make China rich and strong. On the question of invigorating enterprises, Comrade Yang Rudai said: The decision stresses that invigoration of enterprises is the key to restructuring the national economy as a whole. Socialism with Chinese characteristics should first and foremost be able to instill vitality into the enterprises. This is an important breakthrough for the theoretical sphere and is vital to our reform of the economic structure. With this vital point in mind, we will be able to stimulate initiative and clearly joint the way forward in the very complicated reform of the economic structure. After analyzing the reasons for failing to implement policies and measures in invigorating urban enterprises in our province, he said that comrades in charge of economic departments should, in particular, further free themselves from conventional ideas, resolutely act in accordance with the decision, and truly extend decisionmaking power to enterprises.

The work style of our leadership institutions should be changed. The grassroots units and enterprises should not be put in a passive position by the leadership institutions. Instead, all work of leadership institutions should be shifted to the track of developing production, promoting grassroots enterprises, and making the people rich and the country strong.

Based on opinions discussed by the provincial CPC Committee Standing Committee, Comrade Yang Rudai also spoke on the implementation of the spirit of the third plenary session and work of reforming the economic structure. He said that the two decisions made by the 3d Plenary Session of the 12th CPC Central Committee have put forward four major tasks for the whole party and the people of the country. These are: 1) restructuring the national economy as a whole, with the focus on the urban economy; 2) working out the essentials of the Seventh 5-Year Plan; 3) making continuous efforts to make party rectification a successes; and 4) further readjusting leading bodies at all levels. The CPC Central Committee is sparing no efforts to grasp the four major tasks in an orderly way. In accordance with the central plan, party committees at all levels must do a good job of the four major tasks in both the economic field and the realm of the superstructure.

Referring to reform of the economic structure in our province at the present stage, Comrade Yang Rudai stressed five points: 1) Organizing party members and cadres to study the relevant documents intensely is the first step toward implementing the spirit of the 3d Plenary Session of the 12th CPC Central Committee. Leading cadres should take the lead in the study and conscientiously break with leftist influences, prejudiced opinion based on habit, and conventional ideas, thus standing in the forefront of the reform, which represents the trend of our times. 2) We should take invigoration of enterprises as the key to promoting the current reform in all fields. 3) As the reform of the price system affects every household and the national economy as a whole, we must be extremely prudent and keep to the central unified plan. In our reform of the price system in the future, we will mainly readjust various irrational price ratios and lower and raise prices of a small number of commodities, as the case may be. The readjustment will be made only on the condition of developed production, an ever greater abundance of goods and strict control over currency circulation, and will never bring about general and spiralling price hikes. This should be widely publicized and explained to the people in various places. 4) We should actively readjust the set-up of production in the rural areas in an all-round way and make continuous efforts to carry out rural reform satisfactorily. 5) Success or failure hinges on discovering and promoting talented people. Party committees at all levels should take promotion of young cadres and building of the third echelon of cadres as an important aspect on their work agenda. Efforts should be made to consolidate the leading groups in the large and medium-sized enterprises.

In conclusion, Comrade Yang Rudai said that under the guidance of the 3d Plenary Session of the 12th CPC Central Committee, reform of China's economic structure will be carried out over a fairly broad area and in a fairly deep way. It will have a direct bearing on the nation's future, affect the vital interests of the people of the country, and will be related to attainment of the general goal set by the 12th CPC National Congress and the province's task of enriching the people and upgrading its economic position. This reform is an exploratory and innovative undertaking by the masses and it is very complex. We should stand in the forefront of it and give meticulous guidance. If we emancipate our minds, seek truth from facts, uphold the four basic principles, adhere to the principle of building socialist spiritual and material civilization simultaneously, and rely on the wisdom and strength of the masses, we will certainly succeed in our reform.

More than 1,000 people attended the meeting, including members and alternate members of the provincial CPC Committee; members of the provincial Advisory Committee, members of the provincial Discipline Inspection Committee; and party member leading cadres of the provincial People's Congress, the provincial CPPCC, and the provincial government; and leading cadres of the departments, committees, and bureaus directly under the province; party committees of cities, prefectures and autonomous prefectures, universities and colleges, and large factories and mines. Also attending were some members of the Central Advisory Commission and the Central Commission for Discipline Inspection who were staying in Chengdu.

Today's SICHUAN RIBAO, in publishing this news report, carried an editorial entitled: "Efforts Should Be Made To Get a Good Grasp of the Documents."

SICHUAN DISCIPLINE INSPECTION COMMITTEE MEETS

HK060209 Chengdu Sichuan Provincial Service in Mandarin 2300 GMT 5 Nov 84

[Excerpts] The fourth plenary meeting of the Sichuan Provincial CPC Discipline Inspection Committee was held in Chengdu on 3 and 4 November. Comrade Xu Mengxia, member of the provincial CPC Committee Standing Committee and secretary of the Discipline Inspection Committee, conveyed the spirit of the fourth plenary meeting of the Central Discipline Inspection Commission. Comrade Wang Ao, permanent deputy secretary of the provincial Discipline Inspection Committee, made a speech.

The main agenda of the meeting consisted of studying the CPC Central Committee decision on reforming the economic structure, conveying the important instructions of Comrades Hu Yaobang, Chen Yun, and Huang Kecheng and the spirit of the fourth plenary meeting of the Central Discipline Inspection Commission, and discussing the question of how discipline inspection work can ensure the implementation of the central decision and serve the reform of the economic structure.

The meeting pointed out: The livelier the economy becomes, the more important it is to be strict and impartial in discipline. There is no question of slackening the principles of party spirit and party discipline. In carrying out reform, it is essential to have good party style and strict and impartial discipline, otherwise reforms and economic construction can hardly be carried out smoothly. Ideas of setting reforms and opening up to the world against party spirit, style, and discipline, and even regarding discipline inspection work as an obstacle to reforms, are wrong and must be resolutely corrected.

The party committees and discipline inspection committees at all levels must persistently put correcting party style and ensuring strict and impartial discipline in an important place on their agenda. We must prevent and correct the behavior of certain units, cadres, and party members in running counter to the central decision. We must tirelessly concentrate on investigating and dealing with bad work styles of using power for private interests and indulging in bureaucratism to a serious extent, which harm the socialist cause and the current reform work. We must launch in depth the crackdown on serious crimes in the economic field. We must enforce party discipline and state law and discipline on those party members and cadres who violate law and discipline and commit economic crimes, so as to ensure a fundamental turn for the better in party style and promote continuous success in reforms.

The meeting stressed: To suit the development of the productive forces, the discipline inspection organs too must carry out reforms. In accordance with the demands of the new situation and the party's policies and principles, it is necessary to make summations and reviews regarding ideological viewpoints, rules and regulations, and work style. In conjunction with party rectification, it is necessary to seriously rectify and reform things that do not accord with the party's current principles and policies or suit the new situation. We must be resolutely alert against erroneous leftist and conservative ideological viewpoints that conflict with reforming the economic structure, and resolutely change rules and regulations and work styles that do not help to promote reform or develop the productive forces.

SICHUAN NATURAL GAS OUTPUT TO DOUBLE BY 1990

OW051737 Beijing XINHUA in English 1512 GMT 5 Nov 84

[Text] Beijing, November 5 (XINHUA) -- Sichuan Province, China's largest natural gas producer, may well double its annual natural gas output by the year 1990, today's ECONOMIC DAILY reports.

The large sedimentary basin in Sichuan has 11 gas-bearing formations, according to geologists and drilling specialists at a recent meeting in Chengdu, capital of Sichuan. The recent discovery of gas reserves in eastern Sichuan will go a long way toward increasing known gas reserves in a few years to come, specialists said. With 60 gas-fields operating, Sichuan produced 5.3 billion cubic meters of natural gas last year, 64 percent of the national total.

KUNMING MILITARY RECTIFICATION BRINGS RESULTS

HK050841 Kunming Yunnan Provincial Service in Mandarin 1100 GMT 4 Nov 84

[Text] According to YUNNAN RIBAO, after a 10-month-long party rectification study, the party committee and leading organs of Kunming Military Region have created a new situation in which the mind is emancipated, the reform is being vigorously carried out, and everyone is full of vitality when doing their work.

Following the beginning of the party rectification in January this year, the party committee of Kunming Military Region stressed: Through the party rectification, we must get rid of those old contentions which hamper the initiative of people, and put various kinds of professional work under, and make them serve, the party's general task and general goal. In addition, we must center our work on building a modern and regularized revolutionary Army with Chinese characteristics, actively carry out reform, and quickly create a new situation in Army work.

In the course of party rectification, the party committee of the military region has seriously studied the problems of the past and summarized them into two categories. First, ideologically speaking, we did not smash the shackles of leftist thinking, so that in our guiding work we used to stick to old ways, look on with folded arms, and be insufficiently bold in doing what should be done. Second, we used to copy indiscriminately highly praised spirit without taking into consideration the actual conditions of units, which also lacked creativeness during the implementation; and we did not do what should be done.

In light of the problems, the party committee has emphatically grasped the education of totally negating the Cultural Revolution, and has further eliminated the influence of leftist thinking. It has then integrated the practice of simultaneous rectification and correction of defects with reform. Starting from the change in work style and correction of malpractices, it has handled a large number of so-called longstanding, major, and difficult problems.

It has also dealt strictly with a number of cases of bureaucratism and taking advantage of one's office for personal gain; and has cancelled, merged, and readjusted some temporary organizations and units directly under it.

In the course of reform, Kunming Military Region determinedly rectified practice in handling personnel matters. For example, in accordance with the four transformation standards for promoting cadres, it promoted in a bold way to leading posts a number of middle-aged and young cadres who have stood tests in the past, have both ability and political integrity, possess educational backgrounds above senior secondary school level, and have professional knowledge. Some of them were promoted by breaking the rules, while some were promoted ahead of schedule. In the meantime, it demoted those individual cadres who performed their duties superficially and who violated regulations. Some were transferred to lower levels while retaining their titles, while some had party disciplinary measures taken against them. Therefore, it has put an end to the situation in which everyone was treated the same despite good or bad performance. Moreover, it introduced the contracted responsibilities system in the Army work in some areas, so that the initiative of cadres was greatly mobilized and the work of the units was greatly improved.

In addition, various sections of the training department have carried out academic study on military training of units. They have already written 47 articles on various academic themes. They are so bold in reforming the training structure that they have made breakthroughs in the units' training.

In order to rectify the political work of units, the political department has held, since September, several forums on political work. In the course of these forums, they summed up and popularized the experience of carrying out the political work in Laoshan and Zheyinshan during the self-defense counterattack against Vietnamese invaders. Also part of the experience has been affirmed by the PLA General Political Department. Now, the general mood of eliminating leftist thinking, carrying out reform, and making innovations prevails among departments of the Kunming Military Region party committee, as well as among the leading organs directly under it.

HEBEI REPORTS PROGRESS IN URBAN ECONOMIC REFORM

HK050539 Shijiazhuang HEBEI RIBAO in Chinese 26 Oct 84 p 1

[Report by General Office of the provincial CPC Committee: "Fine Trends in Hebei's Urban Economic Reform"]

[Text] Since the beginning of this year, leading organs at various levels and the vast number of cadres, staff, and workers in the province, in response to the call of the CPC Central Committee and making use of the successful experience in rural reform, have accelerated the reform of urban economic structure, and thus promoted the development of production and construction.

The characteristics of the province's urban economic structure reform are: Leaders attach importance to it, the reform has developed from key points to all areas and from single projects to projects of coordinated development, the reform has developed smoothly, and the achievements are remarkable. This year, the provincial CPC Committee and provincial government have held frequent meetings on exchanging experience and discussing the work in urban reform and have invited economic experts Yu Guangyuan and Shi Shan to deliver reports to the vast number of cadres, staff, and workers. While carrying out all these activities, they have, in connection with the province's reality, summed up historical experience, expounded in theory and practice the necessity of the reform, resolved the problem of political obtuseness and conservative ideas in some people's minds, strived to do well in ideological and organizational mobilization, treated the reform of collectively-owned industrial enterprises and small state-run enterprises as a breakthrough, and formulated relevant regulations, thus greatly unleashing the initiative of cadres at all levels, staff, and workers for reform. At present, the urban economic restructuring in the province has made several micro-breakthroughs and has moved to an overall coordinated macro-reform, involving production, circulation, and distribution and developing from the economic base to the superstructure. These reforms have shaken up the isolated, closed and rigid economic structure that has existed for so many years, thus giving new vitality to the province's urban economy.

The province has done six things in carrying out reform of urban economic structure. 1) Streamlined administration and instituted decentralization, and enlivened enterprises. Of all 124 industrial enterprises under the authority of the province, 47 enterprises have transferred their administrative power to lower levels and another 17 are going to do so. All Grade 2 commercial stations under the authority of the province have been transferred to a lower level. 2) Eliminated the practice of enterprises eating from the same big pot of the state. The second-step work of substituting taxes for the delivery of profit is now in full swing, greatly arousing the enthusiasm of enterprises. 3) The economic responsibility system has been practiced within enterprises. According to incomplete statistics, by the end of August, about 93 percent city-run industrial and commercial enterprises had practiced various economic responsibility systems. 4) Grasped the reform of circulation system. Since the Grade 2 wholesale stations under the authority of the province have been transferred to lower levels, 400-odd more wholesale points have been set up in lower levels, which has made the wholesale networks centered on cities more reasonable. Nearly 1,000 urban grain shops in the province have developed additional business, making a profit of 19.15 million yuan from January to August and representing an increase of 330 percent as compared with the same period last year. 5) Reformed the leadership system of enterprises. According to the statistics provided by 12 cities, the factory manager responsibility system has been practiced as a pilot project in 266 state-run industrial enterprises, 6) Reformed the management system of state administrative organs. Tangshan City and Qinghuangdao City have started the pilot project and taken a new step.

The reform has given vitality to urban economy. 1) It has broken with the long-standing leftist trammels and traditional force of habit. As a result, the vast number of cadres, staff, and workers have emancipated their minds and a great number of talented people who have courage and insight and who have the courage to carry out reforms have emerged across the province. 2) The reform has promoted the development of production and circulation, greatly raising economic efficiency. From January to September, the total industrial output value of the province increased by 14.3 percent, the purchase of social commodities increased by 16.5 percent, and financial income increased by 14.6 percent, as compared with the same period last year. 3) Enterprises have further improved business operation and management, thus promoting technological innovation. 4) It has put an end to separation and promoted economic combination. By achieving combinations between enterprises and with enterprises inside and outside the province, Shijiazhuang City has established 10 relatively large scale industrial combinations. Discussions are now being held to make preparation for setting up another 30-odd economic combinations. Some 46 economic combinations of different forms have now been established in the province's mechanical and electrical industry, and nearly 500 enterprises of different sizes inside and outside the province have now joined the combinations. 5) The role of central cities has been brought into full play, and a multi-tier urban and rural economic cooperation network has been established. 6) Collective and individual industry and commerce have developed relatively rapidly. According to the statistics of 10 cities including Shijiazhuang, from January to August, the number of individual traders increased by 85 percent as compared with the same period last year. From January to August, the total retail volume of urban and rural commerce in the province increased by 41 percent as compared with the same period last year, and that of individual commerce increased by 68 percent. 7) Technology, funds and talented people have been brought in, thus enlivening urban economy. In early July, the province and Shijiazhuang jointly held a science and technology exchange fair and received some 95,000 visitors from 21 provinces, municipalities, and autonomous regions of the country. Agreements of intent have been initiated on 720 technological transfer projects, and new achievements have also been made in absorbing foreign funds and bringing in advanced technology. According to statistics in 12 cities, 2,186 professional personnel have been brought in since the beginning of this year.

HEBEI CPC OFFICE IMPROVES INFORMATION SYSTEM

HK050524 Shijiazhuang HEBEI RIBAO in Chinese 27 Oct 84 p 1

[Report: "The Office of the Provincial CPC Committee Provides Services To Help Leadership Make Scientific Policy Decisions"]

[Text] The Office of the provincial CPC Committee has taken information feedback as an important aspect of party rectification and in improving work. Initial achievements have been made in this respect.

During party rectification, this office has corrected the guiding ideology in professional work and shifted the focus of work from the purely passive routine service of the past to an active, enthusiastic, and advisory service, and has made a political information center from the province. At present, a vertical information network among the offices of various prefectural, city, and county CPC committees and a horizontal network among the offices of various departments, committees, offices, and bureaus of the organs directly under the provincial authorities as well as of various mass organizations have basically been established, and they have branched out to towns, townships and grassroots enterprises. In CPC committees throughout the province, more than 20,000 people, including full- and part-time personnel, are now engaged in information feedback work.

They have also paid attention to extending the network and have strengthened contacts with information units and the departments in charge of dealing with people's letters and visits. The offices of CPC Committees at all levels have established their own information points, and many localities have also invited special information personnel.

In order to process information in time, the office has established a series of report systems, such as reports on great events, reports on internal journals, reports on special subjects, and quarterly and annual reports. As a result, there are on an average 32 information entries a day. The office staff then sorts out and process the information that very night and compiles a "bulletin" of about 1,000 characters. They print the bulletin at about 0100 and send it to the office of the leading comrades of the provincial CPC Committee early next morning so that the leading comrades quickly become aware of major events of the previous day and the trend of work in various prefectures and cities. Apart from the "bulletin," they also compile some other internally distributed publications such as ABSTRACTS OF DOCUMENTS RECEIVED, BRIEF REPORT ON THE SITUATION, OFFICE BULLETIN, and HEBEI CONSTRUCTION, so that the information received can be fully used. Meanwhile, in order to provide the leaders with more information in the macroscopic field, they have also strengthened the work of analyzing and summing up various kinds of information. By the end of September they had compiled 27 comprehensive materials for the leading comrades so that the latter can spend less time in reading materials and be emancipated from the "mountain of documents." The fact that the leaders of the provincial CPC Committee are often kept informed on the changing situation and can thus make correct judgments in good time is conducive to offering guidance to the CPC committees at various levels. According to incomplete statistics, since the beginning of this year, more than 380 internally distributed publications have been approved by the leading comrades of various prefectural and city CPC committees. They have played a very good role in guiding and promoting the work in various localities.

TIANJIN'S NI ZHIFU VISITS PLA SOLDIERS 4 NOV

SK060331 Tianjin City Service in Mandarin 0030 GMT 6 Nov 84

[Text] From 4 to 5 November, Ni Zhifu, secretary of the municipal CPC Committee, and Chen Weida, former first secretary of the municipal CPC Committee, visited leading comrades of the PLA units stationed in Tianjin and the Tianjin Garrison District organs. Amid a warm atmosphere of unity between the Army and the people, the municipal leading comrades highly praised the broad masses of commanders and fighters of the PLA units stationed in Tianjin and the Tianjin Garrison District for their great contributions to building spiritual civilization together with the people, maintaining public security, supporting local economic construction, and organizing militiamen to participate in production, particularly in the project to divert Luan He water to Tianjin. They thanked the PLA units for their great support for Tianjin's work.

Comrade of the PLA units and leading comrades of the municipal CPC Committee unanimously expressed the determination that they will continue to promote the glorious traditions of supporting the Army and giving preferential treatment to servicemen's families, and of supporting the government and cherishing the people under the guidance of the spirit of the 3d Plenary Session of the 12th CPC Central Committee, and will make concerted efforts to create a new situation in maintaining unity between the Army and the government and between the Army and the people.

Also present on the visit were Zhang Zaiwang, Wu Zhen, and Tan Shaowen, deputy secretaries of the municipal CPC Committee, and Zheng Wantong, secretary general of the municipal CPC Committee.

TIANJIN TAKES MEASURES TO REFORM ARCHITECTURE

OWO21031 Beijing XINHUA Domestic Service in Chinese 0100 GMT 1 Nov 84

[By correspondent Fan Yinhuai]

[Text] Tianjin, 1 Nov (XINHUA) -- The Tianjin Municipal People's Government recently adopted three measures to reform its planning and design work.

Tianjin Municipality has 81 survey and design units, consisting of more than 5,000 workers and staff members in all. These units have a strong technical force and cover a fairly broad range of survey and design work. However, they lack vitality because their management system is constrained by departmental or district ownership. To give full play to the wisdom and talent of scientists and technicians, shorten design time, stop waste, and change stereotyped designs of buildings, the Tianjin Municipal People's Government adopted the following three measures to reform planning and design work:

1. Mobilize designing units in the municipality to submit tenders, remove barriers between departments or districts, change the situation in which only a certain unit or institute is supposed to do design work, and permit qualified industrial departments and institutions of higher learning to participate in design -- all state-run and collective units and self-employed workers with design certificates may submit tenders.
2. Mete out handsome rewards and heavy punishments. Designers who make important contributions will be allowed to have both fame and gain. The names of designers and architects will be inscribed on newly completed buildings, in order to arouse a strong sense of responsibility among engineers and technicians; the municipal government has also decided to allocate a fund to reward planners and designers who make important contributions. Units and individuals whose planning and design of poor quality result in waste will be severely dealt with, and those who make grave mistakes in this regard will not be given a design fee, and their survey and design certificates will be revoked.
3. Streamline the administrative structure and delegate authority to lower levels. Preliminary designs will be examined and approved according to the principle of management, examination, and approval of different levels. Except for big and medium-sized state capital, and key urban construction projects whose designs require examination and approval by the municipal Construction Commission or the municipal government, the designs of all other projects will be examined and approved by the districts, counties, or bureaus concerned. The authority to examine the qualifications of all survey and design units in the municipality and to administer such units is delegated to the municipal Planning Bureau.

NINGXIA STUDIES CENTRAL COMMITTEE DECISION

HK050821 Yinchuan NINGXIA RIBAO in Chinese 24 Oct 84 p 1

[Report: "Regional CPC Committee Holds Enlarged Meeting of Its Standing Committee To Study the 'Decision'"]

[Text] The Ningxia Regional CPC Committee called an enlarged meeting of its Standing Committee on the morning of 23 October to study the decision of the CPC Central Committee on reform of the economic structure and the documents of the 3d Plenary Session of the 12th CPC Central Committee.

Attending the meeting were the chief responsible comrades of the regional CPC Committee Standing Committee, the regional Advisory Commission, the regional People's Congress Standing Committee, the regional People's Government, and departments concerned under the regional CPC Committee and government. They vied to make speeches, and talked about their impressions on studying the documents of the 3d Plenary Session of the 12th CPC Central Committee.

Regional CPC Committee Deputy Secretary Hao Tingcao delivered a speech requiring CPC Committees at prefectural, city, and county (district) levels and party committees and party groups of all units directly under the regional authorities to earnestly study and propagate the decision of the CPC Central Committee on reforming the economic structure.

He pointed out: The 3d Plenary Session of the 12th CPC Central Committee is another extremely important session in the party's history following the 3d Plenary Session of the 11th CPC Central Committee. It is a crucial meeting for realizing the third leap of the Chinese nation in this century. It will play a tremendous role in stepping up the progress of the four modernizations of our country and opening up a new situation, and is of epoch-making significance. With the application of the basic principle of Marxism, the "Decision of the CPC Central Committee on reform of the Economic Structure" has earnestly summed up the experiences in the economic construction of our country since the founding of the PRC and of the urban and rural reforms since the 3d Plenary Session of the 11th CPC Central Committee, systematically proposed and explained a series of important questions in reforming the economic structure of our country in theory and practice, and further indicated the direction for the channel, characteristics, principles, and policies for building socialism with Chinese characteristics. It has given full expression to the common will of the whole party and the people of all nationalities throughout the country and the requirements of the four modernizations and the development of our practical work. It has won the unanimous accord and support of the whole party, Army, and people of all nationalities of the whole country. The "decision" has discussed the necessity and pressure for the current reform in the economic structure, and has explicitly stipulated the direction, tasks, and basic policies for reform in the economic structure with the urban areas as the key link. It is an exemplary model of our party in integrating the basic tenets of Marxism with actual conditions in China, and a programmatic document guiding the reform of the economic structure of our country. Its implementation will certainly bring about a new leap in the development of the whole national economy. The regional CPC Committee calls on all party members and cadres to earnestly study and grasp the spirit of the documents, and to propagate and explain them to the masses. We should strive to make everybody understand the documents and have a clear idea about them so as to make this study a tremendous motivating force to push ahead all items of work at present.

He has emphatically pointed out: The requirements for the current study are to have a good grasp of the "decision" according to its original text, to have a profound understanding of its spiritual essence, and to do a good job in investigation and study. Formalism must be avoided in the course of study.

We should sit down and study in earnest and in a down-to-earth manner. We should attach importance to practical effects, and we should not do a superficial job of it. Regarding the propaganda and study among the masses, we should do our utmost to make our explanation all-round and accurate, and we must be meticulous in our work. Through studying, the party committees at all levels should carry out vivid education in the theories and policies of reform, so as to make everyone fully understand that socialism with Chinese characteristics is different from the rigid mold in the past, while it is fundamentally different from capitalism, and thus, deepen our scientific understanding of socialism. It is necessary to have a full understanding of the important significance of reform in the economic structure, to have a clear understanding that the purpose of reform is to set up a socialist economic system full of vigor and that the key link of reform is to strengthen the vitality of enterprises. We must have a clear idea about the series of specific tasks and principles that must be observed, such as the setting up of the planning, price, and economic responsibility systems, the implementation of the separation of government from enterprises in their functions. The active development of various managerial forms, the extension of economic and technological exchanges at home and between foreign countries, and the building of a contingent of economic managerial cadres and thus, unifying the ideological understanding of the cadres and masses on the basis of the "decision," while actively plunging themselves into the great practice of reform, and making contributions to fulfilling the tasks and targets proposed by the "decision."

Hao Tingcao has required party committees at all levels to do a good job in organizing and leading the current study, and to regard it as the current political task which must be grasped firmly and well in a down-to-earth manner so as to achieve a good result in the study. The chief responsible comrades of party committees at all levels must personally lead the study and organize discussions, and they should grasp study and work simultaneously, and closely link study with work so as to advance the progress of work in all areas. The regional CPC Committee has decided that from now on, all localities and departments should concentrate on studying well the "decision," and arrangements have been made to carry out daily half-day study for 2 weeks. Those units undergoing party rectification should carry out the study by linking rectification and reform with comparison and examination, and to consider their plan for rectification and reform with comparison and examination, and to consider their plan for rectification and reform in the spirit of the "decision" while doing a good job in comparison and examination in the spirit of reform. The economy and work should be promoted by party rectification, while the latter must be tested by economic work. Those units which have not yet undergone party rectification should spare no efforts in studying the "decision." It is necessary to gradually unfold propaganda and study among the masses of factories (farms), mines, undertaking units, the rural areas, neighborhoods, schools, stores, and Army units in line with actual conditions on the basis of organizing well the study of party members and cadres of party and government organs at all levels. In particular, industrial and mining enterprises should organize their workers and staff to seriously do a good job in studying, propagating, and implementing the "decision." In short, it is imperative for the cadres and masses at the grassroots to have a grasp of its spirit.

All party members, cadres, and people of all nationalities throughout the region should make their words and actions suit the needs of development in the new historical period, and strive for the overall victory of reform, for the fulfillment of the slogan that "Ningxia should stand up first," for realizing the strategic tasks proposed by the CPC 12th National Congress, and for creating a new situation of socialist modernization.

The comrades in charge of the liaison group of the Central Commission for Guiding Party Rectification stationed in Ningxia attended the meeting, and the group leader Nie Jifeng made a speech.

NINGXIA HOLDS FORUM ON ECONOMIC DEVELOPMENT

HK050951 Yinchuan NINGXIA RIBAO in Chinese 24 Oct 84 p 1

[Text] On 16 October and the afternoon of the next day, the regional People's Government invited scholars from other areas to attend a forum to discuss problems of strategies for economic, technical, and social development, exploitation of intellectual resources, and others issues in the region. The forum was presided over by regional CPPCC Vice Chairman Yang Huiyun.

Responsible comrades from the regional economic, scientific and technical, and educational departments attended the forum and briefed all the participants on the tentative ideas on economic development in our region effective to the year 2000, as well as the present situation and plans for promoting scientific, technicals and education undertakings.

Tian Fu, member of the Secretariat of the China Association for Science and Technology, and deputy head of the lecturers' group sent by the China Association for Science and Technology to give lectures on modern management knowledge; Zhong Lin, vice chairman of the China Research Society of Natural Dialectics; Yang Peiting, deputy head of the lecturers' group sent by China Association for Science and Technology to give lectures on modern management knowledge, and associate research fellow; Zhao Hongzhou, assistant research fellow of the Institute of Physics under the Academy of Sciences of China, and member of the editorial group of the journal QIAN KEXUE, [POTENTIAL SCIENCES], and other noted scholars attended the forum on invitation, and aired their precious views on the strategies for economic, technical, and social development in our region, the issues of exploitation of intellectual resources, and other issues.

They maintained: In accordance with the requirements on economic and social development strategy for the whole country, and the spirit of Comrade Hu Yaobang's instruction that "Ningxia should, first of all, bring about an economic upswing," Ningxia has put forth tentative idea on economic development leading to the year 2000, and worked out plans for scientific, technical and educational development in light of regional reality. These ideas and plans are feasible, and the strategic aims leading to the year 2000 can be attained. To speed up the progress of economic construction in our region and attain strategic aims leading to the year 2000, they raised a number of opinions and proposals. Comrade Zhong Lin held that Ningxia should do well in the reform of the management system and change those things which are incompatible with economic, technical, and social development so that productive forces can be greatly enhanced. In the meantime, Ningxia should exploit the role of intellectuals. If Ningxia fails to do so, intellectuals will not be able to keep their minds on their work, and will want to leave the region. This will inevitable produce an adverse influence on the development of economic construction. Comrade Yang Peiting put forth three proposals: 1) To promote development, Ningxia should go out and invite talented personnel from other places to work in the region. It should study the experiences of other places, import technology, invite experts from other parts of the country to pass on new ideology and new technology, and intergrate local resources with imported technology in order to develop production. 2) To develop by leaps and bounds, Ningxia should expand communications. Without efficient communications, there would be no way of obtaining information. Without exchanges, it is difficult to introduce talented personnel and technology. 3) Ningxia should give play to its superiority be extensively promoting two processing industries, the processing of agricultural products and the processing of coal. Comrade Tian Fu pointed out: Ningxia should formulate an overall and comprehensive plan for development. After the strategy for development has been put forward, it should be fully and scientifically discussed. In particular, it should be repeatedly discussed by Ningxia's scientific and technical workers. After working out the overall plan, we should solve the problem of how to start implementing it. This is an issue connected with the speed of development.

The problem of communications should be regarded as one of the key points of the development strategy of Ningxia. In the long run, Ningxia should exert great efforts in the exploitation of intellectual resources. The new technological revolution is, in essence, a revolution of knowledge. Ningxia should develop educational undertakings and introduce talented personnel and technology from other places. In addition, the problem of population growth also merits our attention. If we fail to grasp family planning, there will be no end of trouble in the future. Comrade Zhao Hongzhou talked mainly on the issue of education. He said: Talented personnel is a carrier of science. Without a great number of talented personnel, it is impossible to push our science and technology to the forefront of the world. We should train a great number of devoted, talented personnel who are full of the spirit of creativity. We should develop educational undertakings from a long-term point of view. We should run well not only general education, but also education for workers and staff members, and education for cadres. Knowledge is developing rapidly, the training of scientific and technical personnel should keep abreast of it. We should attach importance to the work of updating the knowledge of scientific and technical personnel. Comrades Tian Fu, Zhong Lin, and Zhao Hongzhou stressed the importance of the exploitation of intellectual resources. They held: Only by running education well and effectively training a great number of talented personnel who can work for the region forever will Ningxia promise high hopes of success in its economic construction.

On behalf of the regional CPC Committee and regional government, regional Deputy CPC Secretary and Vice Chairman of the People's Government Li Yunhe expressed his heartfelt gratitude to the responsible comrades of the China Association for Science and Technology, and experts from other areas. He said that the region would fully consider valuable opinions expressed by them in order to do well in formulating regional strategy for economic development, and promoting economic construction and scientific, technical and educational undertakings in the region.

NPC CONVENES TO DISCUSS SINO-BRITISH AGREEMENT

HK060419 Hong Kong SOUTH CHINA MORNING POST in English 6 Nov 84 p 1

[Report: "Peking To Discuss Draft Today"]

[Text] The Standing Committee of China's National People's Congress which convenes today will discuss the Sino-British joint declaration on Hong Kong.

Mr Xu Jiataun, director of the local branch of the NEW CHINA NEWS AGENCY, confirmed this at a function yesterday.

According to reports from Peking, the meeting is also expected to fix an appropriate date for next year for the third session of the sixth NPC, when a decision will be made on the establishment of the Hong Kong Special Administrative Region. Local legal specialists said the decision on the Hong Kong SAR was only a formality for the Chinese Government covered by internal legislation.

During the Standing Committee's meeting starting today, the Foreign Ministry, which was in charge of the talks with the British Government delegation, will report on the talks and elucidate on the draft agreement. The Standing Committee is expected to approve the draft agreement at the meeting.

According to practice, the Standing Committee meets in the last month of each season. Peking has apparently brought the meeting forward so it can complete the necessary legislation in time for the formal signing of the declaration expected in December.

Vice-foreign minister, Mr Zhou Nan, said earlier the meeting of the NPC's Standing Committee would have to be held by late last month or early this month. The timing of such meetings are always flexible and subject to needs.

POSSIBLE ROLE FOR HONG KONG PEOPLE IN BASIC LAW

HK060508 Hong Kong Commercial Radio in English 0430 GMT 6 Nov 84

[Text] Hong Kong people may take part in drafting the future basic law for the territory. This was revealed by the head of the local branch of the NEW CHINA NEWS AGENCY, Xu Jiataun, a short while ago. He stressed that China will listen closely to what Hong Kong people have to say before drafting the basic law. This is essential because the new law will directly affect them and the future of Hong Kong. He did not elaborate on how and when local people might be invited to join the drafting committee in Beijing.

His disclosure coincides with the forthcoming visit to Hong Kong of a group of law experts from China. The high power group from the Academy of Social Science's Law Institute will hold talks with the prominent legal people here, including the chief justice and the attorney general.

CHENG MING ON REFORMIST 'VICTORY' AT 3D PLENUM

HK050851 Hong Kong CHENG MING in Chinese No 85, 1 Nov 84 pp 6-9

["Notes on a Northern Journey" by Lo Ping "Another Major Victory for the Reformists"]

[Text] Two Air Currents

In October, there were two air currents over Beijing. One was warm, and the other was cold.

At the National Day festivities, some big shots on the Tiananmen rostrum and some guests on reviewing stands were full of warm feelings, so were some participants in the daytime parade and the evening dances. A Hong Kong intellectual who was invited to participate in the festivities told me: "I have never seen such a grand occasion before. The whole square was seething with excitement, so was I!" I also asked a student from a college of physical culture who took part in the parade: "You must have been quite tired, is that right?" He answered: "Certainly, it was hard work. We had to attend three rehearsals before the National Day parade. However, we were able to enjoy good food and new clothes. Apart from the free food, each of us was given a new suit gratis and 5-yuan allowance. So all of us were glad to participate in the performance." A daughter of one of my writer friends was a member of the honor guard of the art contingent. She and her colleagues began rehearsals last April and attended many formal rehearsals in Tiananmen Square before they put on the performance on National Day. It seems to me that the word "performance" is not properly used here. However, many people said, "this is a performance" when commenting on the colorful streams of people flowing from east to west along Changan Avenue.

When this most spectacular "performance" in China's history was put on, many Beijing residents watched the live telecast at home. Children were exultant and excited when seeing tanks, cannons, missiles, and the colorful human torrents. National Day seemed like children's day in Beijing. However, the reactions of many young people were rather apathetic. As I reported in the article "Beijing Under Laser Beams" (published in the September issue) these people had a big question in their minds: Is spending so much money on such a performance worthwhile? There are contradictory rumors about the expense for this "performance." As I mentioned before, a senior cadre estimated the expense at 4 billion yuan, but many people said that the festivities cost between 5 and 6 billion yuan. A young cultural worker said discontentedly: "This is not the Olympic Games, whose expense is known to the world. Here, 'God only knows' how much money was used. We only know that this extravaganza has increased the state's financial deficit!"

Which of the two air currents, a warm and a cold, represents the main current? It is hard to form a conclusion. Among people I have contacted in Beijing, apart from children, very few people were "seething with excitement" like the gentleman from Hong Kong.

However, some cadres agreed that the National Day pageantry was significant. "This was a major demonstration staged by the reformists, who intended to show those old fogeys with a rigid way of thinking that great achievements have been made because of the open-door policy and the rural reform in recent years." Needless to say, cadres who made such remarks are supporters of reform. Of course, not all people who have grumbled about the spending of billions of yuan on the celebrations are opponents of reform.

No One Dissented

Who are those "old fogeys with a rigid way of thinking" in opposition to the economic structural reform? Or who is their representative figure?

Many people will fix their eyes full upon the presidium platform of tomorrow's (20 October) 3d Plenary Session of the 12th CPC Central Committee and try see which of the members of the Standing Committee of the Political Bureau will not raise his hand when the "Decision on the Reform of the Economic Structure" is put to the vote.

I certainly am also interested in identifying that old fogey from the telecast.

However, an informed friend told me: "It is certain that you will be disappointed. The plenary session will unanimously approve the 'decision,' and everyone will raise his hand on the presidium platform.

Why? Is the widespread rumor that disputes between the reformists and the conservatives exist in the top leadership purely fictitious? Have people mistaken the idea of Chen Yun and his like?

For the first question, we do not need an answer from people in the know. From recent press articles that advocate economic reform, we can easily perceive the existence of opponents of the reformists. Although the CPC hates to hear that people think there are different opinions in its top leadership, the existence of reform advocates and conservatives is a fact that cannot be denied. As far as the second question is concerned, it is necessary to consult people in the know, as ordinary people do not know much about the attitude of Chen Yun and his like.

People Who Dream of Returning to the 1950's

The column "Notes on a Northern Journey" has repeatedly reported that Hu Yaobang, Zhao Ziyang, and Wan Li are among those who are most enthusiastic for, and most firmly persist in reform; while Chen Yun, Peng Zhen, Wang Zhen, and Deng Liqun are regarded as conservatives in the matter of reform in recent years. In the group of conservatives, Chen Yun is most representative and Deng Liqun is most active.

Chen Yun, Peng Zhen, and their like can be described as people who are always dreaming of a return to the 1950's. In their opinion, China's economic practice in the early 1950's represents the orthodox pattern of the socialist economy, because marked achievements were made in all fields of construction during that period. So they maintain that the purpose of the present reform should be to restore the practice of the early 1950's. Chen Yun's theory of the so-called "bird-cage economy" is precisely aimed at this purpose. This theory does not go beyond the framework of Stalin's theory on socialist construction, so it is still a result of "learning from Russia." The second volume of the "Selected Works of Chen Yun" published not long ago advocates the socialist planned economy at length.

Chen Yun is an economic expert who has made major contributions to China's economic construction and economic readjustment. During a recent period, he rarely made any public appearances. Some people think that he must have fallen ill. In fact, he refused to receive visitors and went to Shanghai and Hangzhou, because he was resentful of some "radical" measures in the reform. However, the names of Yu Ruomu, Chen Yun's wife, and Lulin, Chen Yun's sister-in-law, did appear in the press.

Not many overseas people know the background of Ruomu. So I would like to mention something here. Like Chen Yun, she is upright and outspoken in taking up the cudgels for people against injustice. During the movement of opposing the "three evils" and "five evils," she complained against Mao Zedong for setting up "imperial palaces for short stays away from the capital" in many areas. She said that only Mao had access to these "imperial palaces" which just lay idle most days of the year and had to be guarded all year round, so this caused a waste of human, material, and financial resources. Her remarks certainly offended Mao, and she could not be promoted to a prominent position for a long time. During the Cultural Revolution, Yu Ruomu was sent to a "7 May" cadre school in Qiangjiang. There, she put up a 120-page "big character poster" to expose Jiang Qing's malpractices. Then, she was placed under house arrest in Beijing. At present, Yu Ruomu is a member of the CPPCC National Committee.

Yu Lulin is now vice president of the Zhonghua Social University and dean of studies of this school. Peng Zhen wrote a signboard for the school, and Deng Liqun encouraged her to make the school a success. All this greatly delighted her. Though these are trivial events, do they reflect something very delicate? No one can presumptuously deny this possibility.

There is another subtle change: Chen Yun and his followers have slowly retreated from the bottom line, which they have stuck to in recent years, in the matter of economic reform.

This is a new development revealed by one of my friends in the know.

The Trial of Strength in Beidaihe

This subtle change was related to the preparations and drafting of the document for the 3d Plenary Session of the 12th CPC Central Committee.

It is said that when Deng Xiaoping spent his vacation in Beidaihe last summer, a trial of strength between reformists and the orthodox old guards in the party's top leadership was concluded in Beidaihe.

This round of discussions and debates was carried out over the economic reform issues involved in the plenary session documents. The reformists based their argument for the necessity and urgency of an overall economic reform on the needs of the present situation and the experience gained in recent years, especially on the successful results of the rural reform. The orthodox faction did not raise an opposition to the reform proposal, but they argued that the "decentralization" should not "go too far." One of the focuses of the debates was the issue of the planned economy. The orthodox faction cited many classics (which were mainly Stalin's theory on socialist construction) to prove the significance of the "bird-cage economy." In the debate, Deng Xiaoping held an unbiased position and stood aloof. It seemed that he was trying to maintain a balance between the two factions. Nevertheless, Deng was still a bit inclined to reform. Many people in Beijing hold that Hu, Zhao, and Wan are radicals among the reformists and Deng is a moderate among the reformists. This appraisal has proved true in the trial of strength in Beidaihe.

The Weapon of the "Retrogressive Faction"

Under the Standing Committee of the CPC Central Committee Political Bureau, many "old fogeys" do cherish the idea of "returning to the 1950's." Echoing their representative in the top leadership, they have put forward many opinions and questions to oppose or doubt the overall reform:

Reform may lead to capitalism.

Reform may disrupt the economy.

Reform may lead to polarization.

The market mechanisms constitute a hot-bed for engendering capitalism.

Reform will deviate from the principle of distribution according to work.

Reform will negate the whole-people ownership system.

The proposal for a quicker reform is a result of some people's craziness.

All of these viewpoints are outworn and conservative. Of course, they are also "orthodox."

According to the orthodox theory, socialism is based on ownership by the whole people and must not allow the existence of the market economy, and socialism should also ensure egalitarian distribution of wealth. To cope with the radical reformists, the "retrogressive faction" is armed with this orthodox theory. When clamoring that "the proposal for a quicker reform is a result of some people's craziness," they level criticism at Zhao Ziyang's Government Work Report at the Second Session of the Sixth NPC, where he said that "the pace of the urban reform should be quickened." Of course, people agreeing to "quicken the pace" also include Hu Yaobang and others.

In order to oppose reform, some people have even played a "foreign card." For example, the theory of the "golden age" developed by John Eton, a British Marxist economist and director of the Russell Peace Foundation, was also used by them as a weapon. This British scholar said that the First 5-Year Plan period in the 1950's seemed to him a "golden age" of China.

The Counterattack by JIEFANGJUN BAO

During this period, Hu Yaobang, on the one hand, asked some theorists to develop the theory for the economic structural reform; on the other hand, he organized an opinion offensive for economic reform and urban reform through party organs. Many articles criticizing the opponents of reform were focused on criticizing the viewpoints advocated by people who dream of returning to the 1950's. Among other articles, one published by JIEFANGJUN BAO was particularly noticeable. The title of this article -- "One Must Further Emancipate the Mind If One Is Determined To Carry Forward the Reform" -- seemed to be just a positive proposal, but it was pertinent to the "returning" dream. The article said:

"Today's reform not only encounters the obstacle caused by the ultra-leftist ideas deriving from the 'Cultural Revolution,' but is also hindered by a yearning for the situation in the 1950's and the ideas of pulling things back to that period. We should say that many systems, concepts, policies and methods in the 1950's and 1960's were suited to the reality in those days, but the economic, cultural, and population structures in today's China, as well as the mentalities of various people, are quite different from their conditions in the 1950's. Today's world has entered the era of an information revolution. Trying to bring today's reality in China back into the framework of the system, concepts, policies, and methods in the 1950's is quite similar to the unrealistic act of cutting one's feet to fit the shoes. Moreover, we cannot consider things in the 1950's as perfect even in the circumstances of those years."

Though the article published by the Army's newspaper was not strongly worded, its tune was quite serious. It compared the framework of the 1950's to the ultra-leftist thoughts developed during the "Cultural Revolution." In fact, it implied that the obstruction caused by the framework in the 1950's to the present reform was no less serious than that caused by the ultra-leftist thoughts. By stressing the need to "further emancipate one's mind" as the title of the article said, the author meant that it is necessary to "further shake off various outworn conventions formed in the 1950's." He held that "this is the emancipation of people's minds to a further degree."

It is easy to perceive that the article was directed at the "returning" viewpoint of Chen Yun and his like. Of course, the criticism was also leveled at people in the army who agreed with the "returning" viewpoint.

Theorists of the reformists have also written comments on the viewpoint of the "golden age." They said that although achievements were made during the First 5-Year Plan, many shortcomings also existed in those days because of the mechanical copying of the Soviet Union's mode.

Errors which occurred after the 1950's were already late in the 1950's. As the objective conditions in the 1980's are quite different from those in the 1950's, it is completely improper to use the methods of the 1950's to solve problems in the 1980's. A theorist said that the economic growth during the First 5-Year Plan was a kind of extensive and quantitative development, and what we need at present is a kind of intensive and qualitative development. Otherwise, we will suffer the evil consequence of worsening economic results.

Zhao Ziyang's "Hailing"

The reformists' arguments are reasonable. Although they have not found sufficient theoretical grounds in the Marxist classics, their arguments are still more convincing than the orthodox faction's outworn viewpoints and dogmas, because the reformists proceed from reality. As people have learned, shortly after National Day, the CPC Central Committee quietly opened the preparatory meeting for its third plenary session. However, the preparatory meeting for the "formal preparatory meeting" was held in great secrecy. A friend in the know told me that the top leadership of the CPC Central Committee held a meeting again in Beidaihe more than 1 month before National Day. Before that, the draft of the "Decision on the Reform of the Economic Structure" was relayed to senior party cadres throughout the country in the form of a central document so as to solicit their opinions. These senior cadres almost all agreed with the draft decision. Then, the situation was greatly favorable to the reformists when the Beidaihe meeting was held. Though the orthodox faction still aired their opinions, they were no longer in control of the situation. Through discussions and debates, both sides reached a compromise on the planning system and other issues and "reached a final agreement" on the revised draft of the decision, which was later submitted to the formal preparatory meeting of the third plenary session for approval.

We can definitely say that the reformists have won the game.

Zhao Ziyang once said at a private meeting of the party: "Minor troubles are likely to occur in the course of the economic reform, but they can certainly be overcome." He said at another private meeting: "The historic significance of the 3d Plenary Session of the 12th CPC Central Committee will never be smaller than that of the 3d Plenary Session of the 11th CPC Central Committee." The first statement can be regarded as the reformists' hailing of their victory.

During the 3d Plenary Session of the 11th CPC Central Committee, the reformists won a great victory in the trial of strength with the "whateverists." Without this victory, there would be no overall reform today.

During the 3d Plenary Session of the 12th CPC Central Committee, the force of the reformists is bound to overwhelm that of the orthodox and "returning" faction. Without this victory, it would be hard for the reformists to bring the overall reform into full swing.

The overall reform is the only way to bring China's economy out of the blind alley under the present conditions. Because the "decision" is just a result of compromise, the shadow of the "bird-cage economy" remains between its lines. However, the "cage" has become larger, and this is a welcome change.

The overall reform will never be smooth sailing. It will encounter many difficulties, problems, and pressures. The radicals among the reformists will have to take up many challenges.

"Mr Bo" and "Mr Yao"

"There are people who do not agree with overall and accelerated reform in the top leadership," a friend told me quietly. "For example, a Mr Bo has been quite conservative in the recent period. On 13 August when making a speech at a seminar on Dalian's economic development strategy, he stressed the difficulties in opening up the 14 coastal cities, saying that 'it is necessary to draw up a long-term plan by proceeding with the technological transformation of old enterprises.' This sounded a bit like 'discouraging' the open-door policy. RENMIN RIBAO did not report his speech at the seminar, but just reported his speech at an enlarged meeting of the Dalian City CPC Committee. On 24 September, this gentleman attended a forum on the publication of the new edition of the 'Collected Works of Lenin' and extended congratulations to the meeting. It is interesting that the name list of the participants included many leading leftist figures, such as Hu Qiaomu, Deng Liqun, Wang Renzhong, and Xiong Fu. Many people in Beijing questioned: Did these gentlemen find some theoretical bases from Lenin's works for opposing overall and accelerated reform?"

I was not too surprised when he mentioned "Mr Bo's" conservative attitude, but I was taken by surprise when he later mentioned "Mr Yao," who was promoted by Deng Xiaoping. Why did he change from a reformist into a conservative?

When listening to my friend, I was considering: The comprehensive reform is indeed a major revolution. Although this will not be a blood-shedding revolution, it is certain that each step forward in this revolution can be made only after overcoming mountains of difficulties. The greatest difficulty is that many cadres still cherish "leftist" ideology, a "returning" viewpoint, some conservative ideas, dogmatism, and outworn concepts. This problem remains unsolved in the top leadership and is more serious at median and grassroots levels. The reformists have yet to do a great deal of ideological and organizational work.

It is possible that some mistakes may appear in the course of the overall reform which thus may take a roundabout way, but the overall reform as a whole must be made a success and must not fall through. It is the people's need and is also the requirement of history that the reform must be so comprehensive that it should not just be confined to the economic field and must never be given up halfway. The revolution which has begun must be carried through to the end!

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